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NAKASONE ON TRADE PROTECTION, SDI, SHRINE VISIT

OW070725 Tokyo KYODO in English 0709 GMT 7 Oct 85

[Text] Tokyo, Oct. 7 KYODO -- Prime Minister Yasuhiro Nakasone Monday launched a sharp attack on "the specter of protectionism" while pledging that Japan will do its best to uphold the free trade system.

"Protectionism is a plague which, once loosed upon the world, will cripple all of our economies," Nakasone said in an address to the Foreign Correspondents' Club of Japan. Reading from a prepared English text, Nakasone devoted his entire speech to current international economic issues, particularly the trade friction between Japan and its principal trade partner, the United States.

"It pains me to hear Japan labeled unfair," Nakasone said, referring to charges prevalent in the United States that Japan has deliberately placed obstacles in the path of imports. However, he acknowledged the trade imbalance with the U.S., expected to soon top 50 billion dollars, that stands behind the protectionist sentiments in the U.S. Congress. "I assure you that Japan will correct any causes of the trade imbalance that it is responsible for," he said. "Japan will do what it must."

Nakasone then referred to Japan's latest package of market-opening measures announced last July, which he said was aimed at "making the Japanese market more open and more transparent." "The specter of protectionism stands in stark opposition to all of these efforts" to correct trade imbalances, he said. In a later question and answer session, Nakasone said, however, that he was pleased by the recent "lull" in protectionist noises from the U.S. Congress.

Nakasone was the first Japanese prime minister to address the foreign correspondents in five years, indicating the seriousness Japan places on the trade dispute, which he characterized as "one of the most serious problems that confronts us today." Nakasone, however, turned cautious over non-trade issues raised during the one-hour session.

Asked whether or not his government would encourage the Japanese private sector to participate in research into the U.S. Strategic Defense Initiative, Nakasone simply repeated the position he adopted in talks with President Ronald Reagan last January, saying "we understand" the program. Nakasone said Japan views the SDI project, apart from its scientific value, as a "political bargaining chip" in arms controls talks with the Soviet Union. "Japan is presently studying the SDI program from a comprehensive angle, and the present Japanese stance is that we understand the program," he said.

Nakasone also refused to be drawn into the controversy of whether he would again pay official homage to the nation's war dead at the Yasukuni Shrine later this month, saying "the matter is still under study." Nakasone became the first prime minister to pay official homage to Yasukuni with an official visit on August 15 to mark 40th anniversary of the end of World War II. The visit drew sharp protests and anti-Japanese demonstrations in China, which linked the visit to what it charges is a resurgence of militarism in Japan. The Shinto shrine in central Tokyo was used as a symbol of state Shintoism in pre-war days.

Nakasone also took the occasion to discuss his political philosophy and his dealings, as a politician, with Japan's civil service. He described his political philosophy as aimed at restoring sound nationalism and building up the confidence that the Japanese people lost in World War II. Nakasone, himself a civil servant before he went into politics at the end of World War II, paid homage to Japan's bureaucracy as with the French, the best in the world. Japan, however, needs more internationally-minded bureaucrats, he said.

There are lots of internationally-minded bureaucrats in the Foreign Ministry, but that is not the case with others, he said, noting how he has encouraged the international trade and industry, finance, transport and posts and telecommunications ministries to develop a more international outlook. Nakasone's comments on the bureaucracy -- which wields enormous power in the government -- came in answer to suggestions it was impeding efforts to open up the country's markets, particularly in the finance and service sectors.

CHINESE PARTY OFFICIAL REAFFIRMS FRIENDSHIP

OW070425 Tokyo KYODO in English 0401 GMT 7 Oct 85

[Text] Tokyo, Oct. 7 KYODO -- Wang Zhaoguo, one of the new generation of Chinese leaders, assured Prime Minister Yasuhiro Nakasone Monday that there is no change in China's friendship with Japan, Japanese officials said.

Wang, 44, recently promoted to the 10-member secretariat of the Communist Party, did not refer to Nakasone's official visit to Yasukuni Shrine in August, which China has said roused the sentiments of Asian peoples, the officials said. The director of the Party's general office, Wang told Nakasone leaders of the two countries must make efforts to settle bilateral problems. The prime minister agreed and promised efforts to establish Japanese-Chinese friendship, the officials said.

China was angered by Nakasone's official visit to the shrine, dedicated to the country's 2.46 million Japanese war dead. Gen. Hideki Tojo and 13 other class-A war criminals were enshrined there in 1978. Screaming "down with Japanese militarism" and "down with Nakasone," a thousand Chinese students staged an anti-Japanese march in Beijing's Tiananmen Square on September 18, the 54th anniversary of Japan's invasion of China.

Nakasone congratulated Wang on his appointment to the secretariat post, announced at the September 24 session of the Communist Party Central Committee, the officials said. Wang told Nakasone during their 30-minute meeting the two countries should expand student exchanges to promote mutual understanding.

Wang came to Japan Friday as the Chinese head of a joint advisory body to the governments of Japan and China, the 21st Century Committee for Japan-China Friendship. The committee has 10 members from each side. During his stay in Tokyo, Wang met Japanese delegates to prepare for the second session of the committee, scheduled to begin in Beijing and Dalian next week. The first session was held at the hot spring resort of Hakone, southwest of Tokyo, September 12 and 13 last year. Wang is to fly back to Beijing later in the day.

PRC CULTURAL OFFICIALS ON FAMILIARIZATION TOUR

OW070543 Tokyo KYODO in English 0521 GMT 7 Oct 85

[Text] Tokyo, Oct. 7 KYODO -- Five Chinese cultural affairs officials paid a courtesy call Monday morning on Shumon Miura, director general of the Cultural Affairs Agency.

The team, headed by Xiang Bingshun, deputy director of the Bureau of External Cultural Relations of the Ministry of Culture, arrived here Saturday for an 11-day visit at Miura's invitation.

The Chinese officials are on a familiarization tour of Japan which will take them to such institutions as museums and universities in Tokyo, Nara, Osaka and Okinawa.

ISHIBASHI MEETS ROK'S KIM; TO VISIT SOUTH KOREA

OW040913 Tokyo KYODO in English 0818 GMT 4 Oct 85

[Text] Tokyo, Oct. 4 KYODO -- The Japan Socialist Party (JSP) signaled a major change in its Korea policy Friday with an agreement to send a delegation to South Korea in January led by party Chairman Masashi Ishibashi. Maintaining close ties with the Communist government in North Korea, Japan's largest opposition party previously banned its Diet (parliament) members from visiting South Korea.

The agreement came in a meeting here Friday between Ishibashi and South Korean dissident leader Kim Yong-sam. Ishibashi also agreed to invite a delegation from South Korea's New Korea Democratic Party (NKDP) before the JSP mission's trip to Seoul. The leading opposition party is closely associated with the Council for the Promotion of Democracy which is cochaired by Kim and Kim Tae-chung, another prominent dissident leader.

In the meeting, Kim and Ishibashi agreed that establishment of formal relations between the two political parties will help ease the tension on the Korean peninsula and promote peace in East Asia. The Socialist Party expressed its intention of establishing ties with the South Korean opposition party when JSP Secretary General Makoto Tanabe visited Pyongyang in May. JSP later sounded out NKDP leaders on the possibility of opening relations.

NKDP rose almost from nowhere to the largest opposition party in the general elections in February. The party has demanded amendment of the country's constitution to open the way for direct popular election of the president. At present, the South Korean president is chosen by the electoral college.

Kim is here on a nine-day visit en route home from a month-long tour of the United States during which he held talks with U.S. government officials and congressional leaders. The 57-year-old former leader of the now defunct New Democratic Party is due to meet Toshio Goto, director general of the Japanese Foreign Ministry's Asian Affairs Bureau, next week.

Kim Speaks at Keio University

OW051221 Tokyo KYODO in English 1206 GMT 5 Oct 85

[Text] Tokyo, Oct. 5 KYODO -- South Korean opposition leader Kim Yong-sam said here Saturday that Koreans are concerned about a possible revival of Japanese militarism. Kim, 57, said the worries stem from Japan's intensive defense buildup efforts and Prime Minister Yasuhiro Nakasone's official visit to the Yasukuni Shrine in Tokyo on August 15, the anniversary of the end of World War II. China was also critical of Nakasone after he visited the shrine, which is dedicated to over 2.3 million Japanese war dead, including class-A war criminals such as Gen. Hideki Tojo.

Kim Yong-sam and another prominent dissident leader, Kim Tae-Chung, share the chairmanship of the Council for the Promotion of Democracy, the parent body of South Korea's largest opposition New Korea Democratic Party.

Delivering a speech and answering questions in a lecture session at the prestigious Keio University here, the Korean politician said South Korean President Chon Tu-hwan lacks the confidence of the people. If the Nakasone government continues to support Chon, anti-Japanese sentiment will spread among young people and workers day by day, Kim said.

Kim arrived in Tokyo Wednesday for a nine-day visit to Japan after a month-long tour of the United States. Kim said exchanges between the largest opposition parties of South Korea and Japan could help promote detente on the Korean peninsula.

Kim met Japan Socialist Party leader Masashi Ishibashi Friday and agreed to an exchange of delegations between the parties.

Kim accused Chon of exerting pressure on democratic movements. If Chon tries to crush democratic moves by force, he will be ruined, Kim said. The New Korea Democratic Party will fight for a revision of the Constitution to introduce a direct election of the president, he said. Chon was elected president by a presidential electoral college in 1981. His single seven-year term of office is due to expire in 1988.

Kim said his party and the United States opposition Democratic Party have concluded a friendship agreement. The Korean opposition party will send a delegation to the U.S. next spring, he said.

FRG DEFENSE MINISTER AGREES ON SOVIET THREAT

OWO70357 Tokyo KYODO in English 0340 GMT 7 Oct 85

[Text] Tokyo, Oct. 7 KYODO -- Japanese and West German defense chiefs Koichi Kato and Manfred Woerner met Monday and agreed that the Soviet Union is a potential military threat to both countries. Kato and Woerner also agreed to promote dialogue on security and personnel exchange between the two countries for world peace and disarmament, Japanese officials said. Woerner, West German defense minister, arrived in Tokyo Sunday for a five-day official visit.

He was quoted as telling Kato, director general of Japan's Defense Agency, that the two countries are coping with a Soviet threat in close collaboration with the United States. He said both Japan and West Germany are responsible for world peace and stability, and added that their responsibility is to a wider area than only the Pacific area and Europe. The German defense minister thus indicated that both countries should consider their security efforts from a global point of view, Japanese officials said.

Kato pointed to the Soviet invasion of Afghanistan in 1979 and called for cohesion in the free world with the United States as its center, they said. Kato briefed the German minister on the military situation in the Far East, while Woerner explained the military balance between the NATO and Warsaw military alliances. Officials did not elaborate.

Woerner is also scheduled to meet Prime Minister Yasuhiro Nakasone and Foreign Minister Shintaro Abe while in Tokyo. He will also inspect Japan's Ground and Air Self-Defense Force units before leaving for South Korea Thursday.

BUSINESS WORRIED ABOUT SANCTIONS ON SOUTH AFRICA

OWO70235 Tokyo KYODO in English 0210 GMT 7 Oct 85

[Text] Johannesburg, Oct. 7 KYODO -- An influential independent South African daily newspaper, THE STAR, has reported the imminent announcement of Japanese economic sanctions against South Africa on its front page, calling it "another jolt for the South African Government." No official reaction has been announced, but one official of the Department of Trade and Industry in Pretoria said privately, "It is a very difficult situation. We trade a lot with the Japanese and we don't want to embarrass them in any way."

Harry Schwarz, the Progressive Federal Party spokesman on finance, said, "The snowball is gaining ground, and growing steadily." Economic experts in Johannesburg say the reported sanctions will not hit the South African economy hard for the moment, pointing out, "international market mechanisms will fill the gap created by the computer export ban, and the krugerrand market in Japan is relatively small."

Japanese business circles here, however, are worried about the possible long-term effect of the sanctions. "Under increasingly difficult circumstances, the South African business people have been expressing the hope the Japanese goodwill will not change. The sanctions might hurt the traditional good image of Japan among the business community here, resulting in the gradual deterioration of economic relationships between the two countries," said one.

Japanese business sources revealed that a couple of recent Japanese economic missions to South Africa have been cancelled for fear of criticism not only from inside Japan but also from abroad.

NAKASONE, THAI MINISTER DISCUSS TRADE PROTECTION

QW070431 Tokyo KYODO in English 0357 GMT 7 Oct 85

[Text] Tokyo, Oct 7 KYODO -- Thailand's Foreign Minister Sitthi Sawetsila and Prime Minister Yasuhiro Nakasone agreed Monday to cooperate in fighting trade protectionism, Japanese officials said.

Sitthi, here on his way home from the United Nations General Assembly session, asked Nakasone to work for free trade at the summit of six major advanced democracies in New York October 24, the officials said.

Sitthi told Nakasone Thailand will suffer if the United States controls imports of textiles and fabrics. Nakasone told Sitthi Japan will fight trade protectionism as a member of the Asian community.

NAKASONE DETERMINED TO KEEP YEN VALUE HIGH

OW061013 Tokyo KYODO in English 1007 GMT 6 Oct 85

[Text] Tokyo, Oct 6 KYODO -- Prime Minister Yasuhiro Nakasone will tell the United States later this month that Japan is determined to continue its intervention in the exchange market to keep the value of the yen high against the dollar "for some time," informed sources said Sunday. The higher the exchange value of the Japanese currency against the American, the more likelihood of rises in Japanese imports of American goods, say the sources, adding that this is preferable to other measures to stave off U.S. criticism of Japanese trade surpluses.

Japan has announced various measures to lever up its imports and stimulate domestic demand, but none of these seems to be having much effect in calming U.S. criticism, the sources said. They said the prime minister has thus decided to tell U.S. President Ronald Reagan when the two meet in Washington October 23 that Japan will maintain its monetary measures to keep the purchasing power of the yen up for goods produced in the United States for some time to come.

The exchange value of the yen against the dollar shot up following a decision by the finance ministers of the five major industrial countries in New York last month to take joint action to bring down the American currency. It cost about 242 yen to buy 1 dollar before the September 22 New York decision, but the dollar has since dropped to around 211 yen.

The sources said that "It would be too short if the effort (to maintain the higher-valued yen) were continued only till the end of this year." They said the market intervention should be continued at least until the seven industrial democracies hold their annual summit in Tokyo next May, when the U.S. will also be preparing for mid-term election campaigns.

Japan has nearly 27 billion dollars on its foreign currency reserve balance, and this ought to be enough to continue the exchange market intervention for some time, the sources said.

LDP TO HELP FIRMS OPEN PLANTS, OFFICES IN U.S.

OW051009 Tokyo KYODO in English 0928 GMT 5 Oct 85

[Text] San Francisco, Oct. 4 KYODO -- Japan's ruling Liberal-Democratic Party (LDP) will actively cooperate with the United States in its efforts to persuade Japanese enterprises to locate offices and plants in the U.S., Japanese sources said Friday.

The sources accompanying a high-powered LDP mission led by Vice President Susumu Nikaido on a trip aimed at staving off protectionist pressure in the United States, said unemployment is a major problem for Americans. The sources said the ruling party will therefore encourage Japanese enterprises to establish themselves in the United States and will cooperate with individual state authorities that want to invite them.

The nine-member delegation will meet U.S. Government congressional leaders, including Vice President George Bush, while in Washington. The Japanese team will also tour several states, including Washington and Kansas.

CENTRAL BANK WARNS AGAINST DISCOUNT RATE CUT

OW041119 Tokyo KYODO in English 1103 GMT 4 Oct 85

[Text] Tokyo, Oct. 4 KYODO -- The Bank of Japan warned Friday that a cut in the official discount rate would be likely to push up the value of the dollar whose strength is believed to be a major factor behind the soaring U.S. trade deficit.

The central bank pointed out in a report on Japan's government bond market that a discount rate cut would further lower Japan's long-term interest rates and thus widen the difference between U.S. and Japanese interest rates, now at about 4 percent.

The interest gap has been regarded as a major cause for Japan's massive capital outflow to the U.S., contributing to the high value of the dollar which has made U.S. products less price competitive in international markets.

There have been increasing calls for a discount rate cut as the difference between short- and long-term interest rates in Japan is narrowing or being reversed in some issues. The Bellwether No. 68 10-year government bond issue now yields about 5.50 percent, compared with a 6.56 interest rate on unconditional call loans.

The bank said the lowering of long-term interest rates is a "natural phenomenon" in line with the liberalization of Japan's capital and financial markets. But bank officials said there is nothing the central bank can do about long- and short-term interest rates at the moment.

'NO FURTHER CONCESSIONS' TO FOREIGN LAWYERS

OW040642 Tokyo KYODO in English 0433 GMT 5 Oct 85

[Text] Nagoya, Oct. 5 KYODO -- Seiichi Ishii, president of the Japan Federation of Bar Associations, said Saturday he will make no further concession on the problem of foreign lawyers wanting to practice law in Japan, a source of friction mainly with the United States.

Ishii was referring at a press conference to a U.S. call for putting foreign lawyers who practice law in Japan under the guidance and inspection of the government rather than the Japanese bar federation.

The federation last month drew up a legal amendment, opening the door for foreign lawyers to do business in Japan but under heavy restrictions.

It proposed that foreign lawyers be subject to guidance and inspection by the Japanese federation, be allowed to handle only laws of their own countries and other laws specified by Japan's Justice Minister, and not be authorized to employ Japanese legal experts or run law offices jointly with Japanese.

Based on the proposal, working-level officials of Japan and the United States held a meeting September 28 but their positions remained apart. The second such meeting is scheduled for later this month.

AUSTRALIA CONCERNED ABOUT TRADE, YEN VALUE

OW050636 Tokyo KYODO in English 0413 GMT 5 Oct 85

[By Susan Moffat]

[Excerpt] Tokyo, Oct 5 KYODO -- Australian businessmen fear that demands to import more goods from the European Community and the United States may lower Japan's imports from Australia, Robert White, president of Wespac, Australia's largest bank said Saturday.

In an exclusive interview with KYODO NEWS SERVICE at a Tokyo hotel, White expressed concern that protectionist actions in the E.C. and the U.S. could threaten the world economy and in particular Australia's trade with Japan, which accounts for a quarter of Australian exports. White said he is hopeful that the recent rise in the value of the yen will soften protectionist sentiment by lowering the U.S.-Japan trade deficit. However, the rising value of the yen versus the Australian dollar does not yet appear to have increased Australian export contracts to Japan, White said.

He said that in facing the rising international mood in favor of protectionist action "we're not yet out of the woods." He said the General Agreement on Trade and Tariffs (GATT) is becoming increasingly ineffective.

Australia's dependence on the Japanese economy is likely to increase in the future, and Australia hopes that Japan's commitment to Australian trade will continue, White said.

10 MIG-23 PLANES FROM USSR DELIVERED

HK070714 Hong Kong AFP in English 0615 GMT 7 Oct 85

[Text] Tokyo, Oct 7 (AFP) -- North Korea took another delivery of 10 MIG-23 fighter planes from the Soviet Union recently, bringing the total number of the latest model of the Soviet fighters to 26 since April this year, a Tokyo daily reported today.

SANKEI SHIMBUN quoted an international military source here as also saying that the Soviet Union is expected to deliver a total of 50 MIG-23 jet fighters to North Korea by the end of this year. The sources said earlier that the Soviet Union delivered the first group of four MIG-23's to North Korea at the end of April and 10 others in the middle of July this year.

The Soviet deliveries of MIG-23's raised the possibility of the signing of a new military agreement between Pyongyang and Moscow, enabling Soviet warplanes trespass over North Korean airspace and further strengthen North Korea's supremacy in the air over South Korea where the U.S. Air Force is currently deploying a total of 48 F16 Falcon jetfighters, the source said.

SOUTH VISITING GROUP'S REMARKS ON NORTH DENOUNCEDFirst Installment

SK040457 Pyongyang Domestic Service in Korean 0723 GMT 28 Sep 85

[First installment of unattributed talk: "Those Who Speak From Both Sides of the Mouth"]

[Text] The persons in authority in South Korea are now viciously and shamelessly slandering and defaming us through the government-patronized reporters and members of the art troupe and the home-visiting group who visited Pyongyang this time. Of course, although these people are slandering us using all sorts of abusive language, foaming at their mouths, no one is surprised at this. However, considering the fact that these people increased their tones of fabrication and falsity this time more unscrupulously, it is certain that they were surprised at witnessing the might and superiority of our system. This has been vividly revealed in the fact that after returning to Seoul they totally reversed their statements made in Pyongyang. While in Pyongyang they said that they were greatly shocked to see the development of Pyongyang and were greatly impressed by it.

The question is how can their acts in Pyongyang and their statements in Seoul be so different. We will not expose the true colors of those who speak from both sides of the mouth.

Of the reporters from the South, there was a reporter from the KBS [Korea Broadcasting System] station. He approached us while slandering and defaming his fellow reporters, who came to Pyongyang together to win good appreciation from the authorities and to make more money. Saying that reporters should be fair and should report only facts, he stated: Of my fellow reporters who are from the South, there are some reporters who are not fair in their news coverage activities. He then mentioned a reporter from the MBC [Munhwa Broadcasting Corp.] station, whom he said was his rival.

He then said: That person is busy filming material for use in propaganda slandering the North. I want you to hinder that person. Instead, allow me more opportunities to film more material. I will cover the news reports fairly. Of course, we did not trust him because he did not hesitate to slander and defame even this fellow reporter.

As we expected, this person slandered and defamed us with fabrication and falsity after returning to Seoul. It is not difficult for us to guess how he, who had slandered and defamed his fellow reporters behind their backs, will fabricate, distort, and slander our reality.

Even a bedbug has a face. However, this person must have had no face, not even one as small as a bedbug's. There is a saying that a mullet jumps and a goby fish jumps; seeing the mullet jump, and seeing the goby fish jump, a tadpole also wants to jump.

When vicious anticommunist elements and government-patronized reporters from South Korea who visited Pyongyang as members of the South side's art troupe and home-visiting group ran wild in slandering and defaming us, South Korean religionists who visited Pyongyang with them, also joined them in the slandering and defaming.

While in Pyongyang the South Korean religionists were warmly treated as religionists. They were even allowed to hold prayers there. To this, they expressed deep thanks to us. Nevertheless, upon crossing Panmunjom these rascals began to slander and defame us. This was probably because they were afraid of being arrested by the Agency of National Security Planning for denouncing Chon Tu-hwan in Pyongyang.

In Pyongyang, questioned by our reporters about their opinion of the South Korean dictator's brutal suppression of the Kwangju uprising and university student demonstrations, the religionists said: These brutal acts completely run counter to the will of God. We feel strong indignation over this. God will punish the dictator in South Korea for the killing and imprisonment of so many patriotic young people.

This means that God will punish rascal Chon Tu-hwan. When they talked about this, the religionists were very uneasy, glancing at the young people from the South side who must have been selected for surveillance.

In a nutshell, it is certain that the religionists who visited Pyongyang intentionally slandered and defamed us after returning to Seoul because they were afraid of being punished for denouncing Chon Tu-hwan in Pyongyang. Now, why does God not punish those religionists who speak different words from one mouth?

One of the members of the South Korean art troupe who came to Pyongyang told our reporter after seeing our art performance: The North's art is certainly more advanced than ours in the South. After seeing the North's art, I feel that we are far behind. I cannot help being ashamed. This is applicable to songs and dances as well. Everything is far superior compared to ours. We should admit what's good as good. It would be foolish to deny this when it is obvious.

When he was making such an emotional remark with excitement, a man appeared and led him away, telling him that someone wanted to see him. This man, who had been taken away like this, upon crossing the Demarcation Line, made capricious remarks, holding a microphone handed by someone, even shedding tears in a wretched manner, that our art is inferior that it is beyond comparison with their musty and disgusting art.

No matter what behind-the-scene pressure had influenced this, how can he see things in a reversed way after crossing the Demarcation Line from the things he saw in a right way in the North of the Demarcation Line? Hearing him talk in the North and returning home, they themselves must have thought of him as really being stupid. No matter how hard he may try to make such capricious remarks, squeezing out tears and attempting to recover from his mistake in Pyongyang, how can he erase the emotional voice that was recorded in Pyongyang in the tape recorder carried by the person who was beside him? Therefore, his remarks after crossing the Demarcation Line and in the so-called roundtable talk are nothing short of saying: I am really stupid.

The South Korean people who were in Pyongyang this time could not steal many things from the Koryo Hotel in Pyongyang or stage an ugly scene of drinking and urinating all night as they did when the ninth North-South Red Cross talks were held. This is because the entire world knows that they, at that time, stole goods from the Koryo Hotel in Pyongyang, drank, urinated, and returned home wearing stained underwear, causing a big shame on them externally. A reporter confessed that, because of that, they came to Pyongyang with a firm promise not to steal, or to drink too much.

However, as the proverb "A thief cannot rid himself of a bad habit and give it to a dog," this time again they stole spoons and some other things and damaged some of our furniture. They devoured noodles at the Ongnyugwan Restaurant in Pyongyang, eating two or three bowls. A man, having eaten two bowls of noodles and rubbing his stomach for wanting to eat more, drank more of our Yanggang water as a digestive and attacked a third bowl. We are not blaming him for eating a third bowl because the noodles are delicious. We would welcome him to eat 13 bowls. However, it seems that the South Korean personnel who came with him may have pressured him to eat the three bowls of noodles devouringly. Hence, the man who came to Pyongyang as an actor of the South's art troupe and who cunningly said on stage in Pyongyang that his hometown was South Hamgyong Province and that he would like to be called kamjabau [a nickname for a resident in a mountainous region] made his first unbecoming remark as soon as he crossed the Democratic Line that the Pyongyang noodles were not good. This is similar to the situation in which one finishes eating a large piece of meat and says he smells the odor of cow's urine. He said that, having eaten two or three bowls of the Pyongyang noodles, it was not tasty. This makes one laugh so much that he almost dies of laughter.

We urge them to remain silent if they have made some mistakes. If they make such absurd remarks they will invite even more disgrace.

Second Installment

SK060506 Pyongyang Domestic Service in Korean 0725 GMT 29 Sep 85

[Second installment of unattributed talks: "Those Who Speak From Both Sides of the Mouth"]

[Text] Did 30 Years Elapse Just by Crossing the Democration Line?

There is a story about a South Korean resident who visited a miserable life. He was greatly moved when he met with his sister who lived in Pyongyang when she arrived in the city as a member of the home-visiting group. While meeting with his sister, he said that he was free from all worries after believing the South Korean propaganda that those people in the North whose relatives are in the South led a miserable life. He said that he had been foolish because he was deceived by false propaganda. Gazing at his 60-year-old sister, he said: You do not look old. You look 50 years old. By saying so, he meant that his sister looked 10 years younger. At that time, a man wearing a reporter's armband asked his sister about her age. When she said that she was 60 years old, the man vindictively stared at the person who said that his sister looked only 50 years old.

No sooner had the home-visiting group returned to Seoul than the South Korean authorities held a roundtable talk and slandered us. They then asked him about how he estimated the age of his sister. The person who said in Pyongyang that his sister looked only 50 years old distorted truth and said that his sister looked 80 years old.

By saying so, he meant that his sister looked much older. Because he estimated his sister's age as 10 years younger, he was compelled to say that his sister had looked 20 years older. How could one's age change by 30 years in 3 days? Did 30 years elapse just by crossing the Demarcation Line? This is strong evidence showing that the South Korean authorities apply pressure to members of their home-visiting group in a such a perverse manner so that they slander us.

A Reporter Who Once Again Appeared on Stage With Poor Skill

Not an encore but a request for a reappearance on stage implies that the singer in question should sing again, not because he has sung well but because he has sung poorly. No sooner had those who visited Pyongyang arrived in Seoul than the South Korean authorities were frantically hellbent on slandering us by holding a roundtable talk, dragging them to various places without letting them return to their homes where their parents, wives, and children waited for them. As a result, many of them made mistakes because they performed without preparation. A reporter, who had played a role as a leader of a chorus slandering us and who raised his voice in doing so, said while being engrossed in defiling us that, while traveling to Seoul from Panmunjom after crossing the Demarcation Line, when he closed his eyes he heard, not with his ears, the ringing singing voices of children he heard at the Children's Palace in Pyongyang. He then remembered and recited the words of a song, saying that all the people should unite in order to freely visit the North and South like swallows. His preposterous remarks that he watched, with difficulty, our children's artistic performance until the end proved to be all lies, tacitly showing that the influence of our children's artistic performance has spread to the South like an echo. It appeared that he was once again called to participate in another roundtable talk because of the mistake he made. He failed to make satisfactory remarks, although he tried to make up his mistakes after bearing reproaches and after receiving training. He said that the North Korean acrobatic art looked skillful to some degree because children had been trained from their primary school days. Thus, he made another mistake in his second appearance on the stage. He made these remarks to criticize our education system, which is the most superior in the world. Nevertheless, this meant that our acrobatic level was high. This was nothing but propaganda that artistic gymnastics and gymnastic dance are taught at all our schools.

As a result, he was abused, being labeled a stonehead. He will be forced to appear on the stage for the third time.

An Act of Slander Because of the Crime of Violating Warnings

The South Korean authorities prevented those who visited Pyongyang to meet with their family members, and relatives from carrying souvenirs. According to frank confessions made by members of the home-visiting group from South Korea to their family members and relatives, the authorities, while conducting the false propaganda that the souvenirs that would be delivered by the North would be poor; that if the group members carried souvenirs they would be taken away; and that these souvenirs would not be delivered to their family members and relatives, told the members to carry toothbrushes, toothpaste, soups, and propaganda pictorials, and pamphlets. Those who carried these filthy souvenirs, deceived by fraudulent propaganda, and gave in to coercive orders were greatly stung by their conscience after meeting with their family members and relatives in the North and after exchanging souvenirs.

Before their departure, some of the home-visiting members stealthily gave their family members and relatives in the North their personal effects, saying that they were ashamed of poor souvenirs they carried when compared with souvenirs carried by their family members and relatives in the North. Seeing this, South Korean personnel pressured them, urging them to observe regulations, and vindictively told them not to meet with their family members and relatives individually. Before their departure, a father who came from the South, frightened by the vindictive eyes of these personnel, turned his back, telling his son to understand his behavior and saying that he could not help but behave like that because he had to act with the group. The rascals, who are very perverse, have boisterously made comments on our standard of living by holding a roundtable talk, mobilizing those who violated their regulations. Why did those who boasted of their high standard of living borrow wine from a person who brought it to drink and give to their brothers, failing to bring a bottle of wine to pour before the tombs of their fathers? It would be better for those who carry neckties that he had worn, woman's brassieres, and pants to shut their mouths.

Lies Should Be Told in a Rational Manner

Although the South Korean authorities have been jealous in slandering us by mobilizing the rabble from those who have visited Pyongyang, they have failed to produce results because none of the remarks they have made conforms with reason.

Seeing her sister, whose age exceeded 70, fail to recognize the picture of her relatives in the South, a woman who visited Pyongyang made abusive remarks that she realized that her sister had suffered from malnutrition. This wicked woman must only have wickedness in her body and no tears. Was her failure to immediately recognize her relatives, with whom she had parted more than 35 years ago, because the excitement she experienced while meeting with her sister -- because of tears that blurred her sight -- caused by malnutrition? How can we describe the failure to cry tears with family members after 40 years because humility dried up in the body? This is real malnutrition -- the lack of humanity after suffering from physical malnutrition.

Hearing his brother urge him to exert efforts to quickly achieve reunification, another person brazenly said that he felt things had come to pass pretty well, realizing that his brother had changed greatly. The South Korean authorities hated reunification so much that he was frightened by these remarks calling for achieving reunification. If he feared remarks calling for reunification, why did he visit Pyongyang to meet with his family and relatives? He came to Pyongyang to conduct propaganda to slander us, ignoring his family and relatives. We view those who call for achieving reunification as patriots and those who oppose reunification as traitors. We do not conceal this. Instead, we are proud of this. Accordingly, he who blamed his brother for urging him to achieve reunification is a mentally deranged person or a traitor.

To Trust Is Treason

A certain reporter whose name is Kim is now frantically slandering and defaming us in Seoul after retuning from Pyongyang. However, while in Pyongyang this reporter slandered and defamed Chon Tu-hwan.

Saying that although Chon Tu-hwan is now cunningly trying to gain popularity with the people in a bid to be reelected as president in 1988, it will be almost impossible for him to become president in 1988. This reporter exposed that knowing this, Chon Tu-hwan is now not only hellbent in amassing wealth, but is also secretly encouraging his followers to amass wealth while he is in the position of president. This reporter meant that Chon Tu-hwan is probably planning to flee overseas with his followers in case of an emergency.

In other words, he meant that if Chon Tu-hwan fails to become president in 1988, he will be destined to be tried and punished like the situation in Argentina in the past and that knowing this, Chon Tu-hwan is trying to amass wealth while in power and to escape overseas. Thus, the reporters who slandered and defamed Chon Tu-hwan in Pyongyang are now preposterously slandering and defaming us in Seoul. We know well why these reporters uttered such incoherent statements. Their aim is to make money by sitting on the fence.

Here, we cannot expose all what they said in Pyongyang. However, we can give a hint to members of the South Korean puppet Agency for National Security Planning. Those reporters who slandered and defamed us after returning to Seoul are precisely those reporters who while in Pyongyang slandered and defamed Chon Tu-hwan and exposed his corruption and irregularities. Therefore, we can conclude that these reporters are reporters that Chon Tu-hwan should not trust.

NODONG SINMUN URGES PROGRESS IN N-S DIALOGUE

SK061355 Pyongyang Domestic Service in Korean 2137 GMT 4 Oct 85

[NODONG SINMUN 5 October commentator's article: "Stop Confrontation Maneuvers Blocking Progress in Dialogue!"]

[Text] Today multilateral dialogue, including the Red Cross talks, economic talks, and preliminary contact to provide parliamentary talks, is being held between the North and the South.

The Red Cross art troupes and home-visiting groups of the two sides conducted mutual visits to Pyongyang and Seoul recently. This is an unprecedented event, and a good occasion for eliminating the distrust and misunderstanding that have developed between the North and the South during the prolonged division and for creating an atmosphere of trust and understanding.

It is our consistent position to improve and develop North-South relations through contacts and dialogue and to promote national harmony and unity.

Prompted by the relief measures for the South Korean flood victims, we held that a broad range of collaboration and exchanges in all domains, including Red Cross humanitarianism and the economic and cultural fields, should be realized and that the severed ties of the monolithic people should be recovered. All this reflects our position.

Dialogue has been conducted in many fields as a result of our efforts. The economic and the Red Cross talks were not held under smooth circumstances. This is shown by the fact that it took 39 years to realize economic talks and 12 years to hold once again the ruptured Red Cross talks.

Treasuring such dialogue, which was held under difficult circumstances, we made all possible efforts to create an atmosphere of unity between the North and the South and to advance the dialogue.

We truly expected that the South side conduct the dialogue with a sincere attitude. The South side, however, is acting totally contrary to our expectations. The South side is, in actuality, inciting antagonism and confrontation while paying lip-service to improvement of North-South relations in unity, doing away with antagonism and confrontation, and transcending ideas and systems.

On 27 September, it staged a large-scale military exercise in the western and central frontline areas called "special warfare demonstration training."

The exercise, which included aerial infiltration into the northern half to make a surprise assault on its public facilities; air raids to destroy trains, bridges, and power plants; and parachute training aimed at seizing strongholds, was a war exercise simulating northward advance.

The South Korean dictator inspired the officers and men of the puppet army, saying that they should be ready to fulfill their missions in the event of an emergency. This is a strange act.

Who can say that the inciting of a northward advance while staging a war exercise against us behind the curtain of dialogue is an act for improving North-South relations, transcending ideologies and systems?

The South side, in the past, triggered an incident of firing in the area of the conference room at Panmunjom, thus pouring cold water over dialogue, and staged a joint military exercise by mobilizing vast troops numbering 200,000. Thus, they caused the dialogue to be ruptured for half a year. At a time when we should create a good atmosphere for the progress of dialogue, the South side is not only destroying the atmosphere of dialogue by staging war rackets, but is also inciting North-South confrontation while repressing the South Korean youths and students, who are demanding democracy in society and national reunification, by linking them with us.

Raving that the slogans of the students demanding national reunification, the struggle for democracy, and the liberation of the masses are pro-communistic and constitute acts benefiting enemies, it is running amok to repress them. The South side arrested numerous students demanding democracy, sending them to court, and is repressing even the students who called for talks between the students of the North and the South at Panmunjom.

The students' advance for democracy is an independent and autonomous movement waged not at someone's instigation but carried out in accordance with their own faith and their sense of national duty.

The fact that the South side is repressing their patriotic advance, linking them to us, is a splittist maneuver aimed at alienating the same people from each other and inspiring antagonism against us. These are indeed double-dealing tactics of instigating antagonism and confrontation while loudly talking about them. The slogan of the South side noting that North-South relations should be improved, transcending ideologies and systems, is a preposterous lie.

Those who came to Pyongyang leading the Red Cross art troupe and home-visiting group slandered us as soon as they returned to Seoul, saying that the North is a closed society dominated by standardization, that there is no freedom, that the people have become heterogeneous, that the legitimacy of national arts has been lost, and so forth. Thus, they staged large-scale anti-communist propaganda, slandering and defaming the system of the northern half.

They do not deny the fact that the North-South dialogue has been arranged to improve the relations between the two sides, recognizing the systems and ideologies existing in both sides as they are, and to connect the severed bloodline of the people. This being the case, what on earth are they attempting to seek by bringing up the issue of system and ideology not directly related with dialogue?

Under the socialist system, the people in the northern half are enjoying political rights and freedom that they could not even imagine in the past, and creating a new life while developing the national economy and national culture, thus building a new prosperous fatherland.

The South side has been deprived of its sovereignty under the U.S. imperialists' military occupation and political and economic domination and subjugation, and its national economy and national culture have been trampled underfoot, thus maintaining the fascist dictatorship. However, it is preposterously and arbitrarily slandering other people. This is indeed ridiculous.

They spoke well of our system, the lives of the people in Pyongyang, and national art while staying in Pyongyang, but they abruptly changed their attitude as soon as they returned. They are now playing the role of spokesman for the authorities, making remarks as directed. This shows that they have no freedom to even express their own opinions. [Words indistinct] The North-South dialogue is aimed at accelerating the peaceful reunification of the nation by improving the relations between the two sides, easing tension, and promoting national harmony and unity, transcending the differences in ideologies and systems.

In order to advance dialogue, one should assume a correct attitude and position toward the dialogue. Without the attitude and position of pursuing reunification, transcending ideologies and systems, one cannot advance the dialogue. We are striving to connect the severed ties of the people through dialogue. However, the South side is merely running counter to this. It is regarding the dialogue as a means for maintaining the present situation and for perpetuating the division.

This is shown even by the simple fact that the South side, behind the scenes of dialogue, is going around to other countries talking about the issues of cross-recognition and cross-contacts, and the fact that it intends to express its will to unilaterally enter the United Nations at the current UN General Assembly session.

If the South side continues adhering to the line of confrontation while pursuing division, the dialogue will not progress. Dialogue should not be aimed at perpetuating the division. If one attempts to perpetuate the division, dialogue is not necessary.

If the South side intends to conduct dialogue with us, it should, first of all, abandon hostile acts and slanderous propaganda against us. It should also abandon military actions threatening the other party to the talks, stop doing things that slander the ideology and system of the other party, and cease suppressing the people's just advance for democracy and reunification by linking them to us. Such are the primary demands for creating an atmosphere for dialogue and negotiations.

Under the circumstances in which tension is exacerbated and confrontation is fanned, it is impossible to conduct dialogue and negotiations in an open-hearted manner. It is equally impossible to freely resolve the pending issues under circumstances in which democracy is not ensured, nor is it possible to expect some good results even if dialogue is conducted.

It is because of the breach of faith on the part of the South side, which laid artificial obstacles to talks while pursuing fascist anticommunist war lines, that the dialogue held between the North and South in the past had been ruptured midway through, without achieving any successes. The work of the coordination committee formed to implement the items agreed upon in the 4 July North-South Joint Statement, the Red Cross talks designed to alleviate the sufferings of the separated fellow countrymen, and the sports talks for the formation of a single team were all ruptured in this way.

It is also because the South side is using dialogue in its anachronistic anti-communist confrontation, war lines, and its policy of turning society into one that is governed by fascism that the North and South have not been able to improve relations, despite the fact that they are engaged in talks.

The South side even goes so far as to say that it will bring a wind of freedom to the North while coming and going by conducting talks. However, this is a chimera that will never be realized.

Confrontation will solve nothing. If the South side takes the road of putting dialogue to bad use for anticommunist confrontation, with knives hidden under their sleeves, as it is doing now, dialogue itself will be placed in grave danger.

Our stand to develop North-South relations and to lay stepping-stones for reunification through dialogue and negotiations remains unchanged even now. We value dialogue. However, we have no intention of wasting time and energy by sitting together with those who are putting the dialogue to bad use for anticommunist confrontation and regarding us with impure intentions.

Whether or not North-South talks make progress depends entirely on the attitude adopted by the South side. It is high time that the South side gave serious thought to the consequences of its anticommunist confrontational lines, and acted judiciously. If, ignoring the aspirations of the people for dialogue and reunification, the South side continues to take the road of the faith-breaching anticommunist attempt to turn society into one that is governed by fascism and confrontation, it will have to take full responsibility for the consequences arising therefrom.

COMMENTARY CONDEMNS SOUTH'S MANEUVERS TO JOIN UN

SK041500 Pyongyang Domestic Service in Korean 2154 GMT 3 Oct 85

[NODONG SINMUN 4 October commentary: "The Splittist Motive Which Has Been Exposed Once Again"]

[Text] South Korea's puppet foreign minister, Yi Won-kyong, calling on foreign ministers of a series of countries participating in the United Nations General Assembly session in New York, including Japanese Foreign Minister Abe, is now playing the game of explaining to them South Korea's willingness to enter the United Nations, and of soliciting cooperation from them for its admission.

This shows how sordidly the Chon Tu-hwan ring, which has been prattling that, if simultaneous admission of the North and South into the United Nations does not come to fruition, it is South Korea's policy to enter the United States on its own, is now maneuvering to achieve this end. The theory of entering the United Nations prattled about by the puppets is an off-shoot of the tune of perpetuating the division that was written by the U.S. imperialists and then touted by South Korea's former dictator.

It has been fully exposed that this theory goes against the grain of the 4 July Joint Statement, which assumes independence, peaceful reunification, and grand national unity as its basis; that it is equally incompatible with the aspirations of the Korean people for reunification and the demands of the times; and that it is a product of the criminal maneuvers to fabricate two Koreas.

Essentially, the South Korean puppet regime is a scarecrow group that was fabricated and maintained under the protection of the U.S. imperialists, backed by guns. For this reason, it in no way represents the South Korean people; therefore, it is not eligible to enter the United Nations.

The puppets' prattling about entering the United Nations is, in itself, a mockery of the UN Charter and an insult to the justice-loving member states of the United Nations.

The goal behind the puppets' attempt to enter the United Nations is merely to rationalize national division by applying to our divided country the international customs by which countries becoming member-states of the United Nations are recognized in terms of their existence and position as independent and sovereign countries.

Talks that are being conducted in various forms between the North and South are all intended for the purpose of restoring the national reunification by improving and developing the bilateral relations. The attempt to whip up confrontation behind the curtain of the talks, which are being held to improve relations, and to expand the division even to the international arena is also incompatible with the spirit of the talks.

Although the puppets are babbling about being admitted to the United Nations as if it were for the relaxation of tension and for the preservation of peace on the Korean peninsula, it is nothing but a smokescreen to camouflage their splittist maneuvers and policy of confrontation.

It is not because both the North and South, or either one of them, have not been admitted into the United Nations, but because the country is divided and the U.S. imperialists are occupying South Korea, that tension is prevailing in Korea and the peace there is threatened. It is also because the Chon Tu-hwan ring is openly maneuvering to provoke a war of northward invasion in response to its master's policy of aggression and war.

The only way to ease tension in Korea and to provide some preconditions for peace and peaceful reunification is to replace Korea's truce agreement with a peace agreement and to do away with the state of North-South military confrontation. The tripartite talks among us, the United States, and South Korea and North-South parliamentary talks, both proposals advanced by us, are all intended to resolve such a pressing issue.

While the nation remains divided, neither of the two sides should enter the United Nations, and if they intend to enter the United Nations, they should do so as a single country after the country is reunified.

Our principled stand regarding the issue of entering the United Nations is supported and endorsed not only by the Korean people, but also by the peace-loving people of the world.

The fact that the 28th UNGA has already opposed and rejected the resolution on simultaneous admission into the United Nations by the North and South, which was advanced by the U.S. imperialists and their stooges, and then adopted a resolution in support of the three principles of national reunification stated in the North-South Joint Statement is a testimony to this.

If the South Korean puppets are really interested in peace in the country and national reunification, and if they intend to respect the recommendations of the UNGA with regard to the Korean question, they should show sincerity and seriousness in talks with us as a matter of course after abandoning the maneuvers for unilateral entry into the United Nations.

Although the Chon Tu-hwan ring is wriggling to cloak its maneuvers for division and confrontation with the veil of the United Nations, the nation's aspirations for reunification and the trend of the times will never permit it to achieve its goal.

IMF INTERIM COMMITTEE MEETS IN SEOUL

Issues Communiqué

OW070209 Tokyo KYODO in English 0116 GMT 7 Oct 85

[Text] Seoul, Oct. 7 KYODO -- Following is the text of a joint communiqué issued Monday by the Interim Committee of the Board of Governors of the International Monetary Fund (IMF):

1. The Interim Committee of the Board of Governors of the International Monetary Fund held its 25th meeting in Seoul, Korea, on October 6-7, 1985, under the chairmanship of Mr. H. Onno Ruding, minister of finance of the Netherlands. Mr. Jacques de Larosiere, managing director of the International Monetary Fund, participated in the meeting. The meeting was also attended by observers from a number of international and regional organizations and from Switzerland.
2. In reviewing the world economic situation, the committee noted that progress had been made on a number of fronts: Inflation had been further reduced; interest rates had continued to fall; recent efforts had been made to ensure a better adjustment of the major exchange rates to economic fundamentals; economic growth had become more convergent across countries; and balance of payments deficits in the developing countries had been considerably reduced. However, the committee recognized that the pace of economic recovery in industrial countries as a whole had slowed down in the first half of 1985 by more than had been expected. There had been a significant decline in primary commodity prices and a weakening in developing countries' export earnings and growth prospects. While economic activity was expected to strengthen in the second half of 1985 and in 1986, a number of uncertainties in the outlook were underlined. These included the persistence of high fiscal deficits in a number of countries; an unsustainable pattern of current account positions; weak commodity prices; the fragility in the external position of a number of indebted countries; structural inflexibilities that inhibit growth in many economies; and the resurgence of protectionist pressures.
3. The committee stressed the importance of noninflationary policies consistent with sustained output growth in industrial countries, the renewal of growth in the developing world through adjustment efforts, and adequate flows of finance to support such efforts. It was generally agreed that fiscal and monetary policies in industrial countries should be framed in a medium-term context, having in mind the importance of reducing governments' claims on real and financial resources, and consolidating progress toward price stability. Particular stress was placed on the need for substantial and sustained reductions by those countries where budget deficits are excessive. In addition, the need to broaden further the basis of expansion in the world economy was emphasized. In this connection, countries that had strong external positions and good inflation records were considered well placed to contribute to growth in the world economy. Concerning policies in developing countries, the committee considered it particularly important to stress actions that would enhance prospects for durable growth. Such actions would include the achievement and maintenance of an appropriate structure of relative prices, the promotion of investment and domestic savings, and a vigorous attack on inflation. Effective adjustment programs of this type should be supported, in the view of the committee, by actions on the part of industrial countries to encourage adequate flows of external finance.

4. In reviewing the debt situation, the committee noted that a number of countries had carried out prudent policies that had allowed them to maintain access to capital markets, and that some others had made policy improvements which strengthened their external position. Nevertheless, several recent developments had adversely affected the external positions of developing countries. Among these developments were the recent weakening of export markets, lower commodity prices, problems in domestic economic management, and difficulties in re-establishing access to capital markets. For a return to a higher and sustainable rate of growth in the indebted countries, which was essential to make debt servicing more manageable, it continued to be necessary that certain conditions be met. These conditions included the maintenance of satisfactory growth in the industrial countries, a policy mix that permitted a further decline in interest rates, effective adjustment in developing countries themselves, appropriate flows of finance, both official and commercial, and firm resistance to protectionist pressures.

5. The committee reaffirmed the key role of the fund in promoting the process of adjustment, in providing balance of payments financing, and in helping to mobilize financial resources for the debtor countries.

6. All members of the committee agreed that protectionism constituted a major threat. They stressed that, unless protectionist measures were resisted, the prospects for sustainable recovery in the world economy would be undermined and the management of the external position of heavily indebted countries would be severely complicated. Protectionist pressures also make more difficult the task of countries that are taking steps to reduce restrictions and open their markets. The members of the committee expressed the firm determination of their governments to preserve an open trading system in which all countries would have effective access to world markets. The committee noted with satisfaction the positive development of discussions within GATT with a view to opening a new trade round.

7. The committee discussed the question of the fund's policy on enlarged access and the limits on access to the fund's resources in 1986. It was recalled that enlarged access is a facility of a temporary character, and that this policy and the limits under it, as well as the access limits under the fund's special facilities, were to be reviewed before the end of 1985.

The committee recognized that, in view of the uncertainties that remained in the world economy and the serious payments difficulties that many member countries continued to face, there was a need to continue the enlarged access policy, with only modest adjustments for the coming year. It was agreed that the access limits for 1986 should be as follows:

A) Access under the enlarged access policy in 1986 should be subject to annual limits of 90 or 110 percent of quota, three-year limits of 270 or 330 percent of quota, and cumulative limits of 400 or 440 percent of quota, depending on the seriousness of the balance of payments need of the member country and the strength of its adjustment effort. As at present, the Executive Board should retain the flexibility to approve stand-by or extended arrangements for amounts above these access limits in special circumstances.

B) The present access limits under the special facilities should be retained.

As at present, access limits should not be regarded as targets. These limits, and the enlarged access policy itself, should be reviewed before the end of 1986, and yearly thereafter, in light of all relevant factors, including the magnitude of members' payments problems and developments in the fund's liquidity position.

The committee requested the Executive Board to complete, before the end of this year, the necessary action in order to implement the agreement reached in the committee.

8. The committee had a brief discussion on the question of an SDR allocation in the current basic period. It was confirmed that there was no change in the positions of committee members on this subject since the committee's previous meeting and that, therefore, the degree of required support for such an allocation was lacking. The committee reiterated that the SDR constitutes an integral part of the structure of the fund and agreed to consider the matter again at its next meeting in the light of developments. The committee also urged the Executive Board to pursue its planned review on the role of the SDR, in all its aspects, in the international monetary system as a matter of priority, and to submit to the committee a progress report for consideration by the committee at its next meeting.

9. The committee considered the question of the use of the resources that will become available over the period 1985-91, following repayments pertaining to loans made by the trust fund. Its conclusions were as follows:

- a) The total amount of these resources (about SDR 2.7 billion) which might be supplemented with funds from other sources, should be used to provide additional balance of payments assistance on concessional terms to the low-income countries eligible for IDA resources that are in need of such assistance and face protracted balance of payments problems. In this connection, the committee welcomed the statements made by the representatives of China and India that they would not avail themselves of the facility.
- b) This assistance should be made available to countries implementing economic programs designed to promote structural adjustment and growth in a medium-term framework. These economic programs should be reviewed periodically. Given the emphasis on structural adjustment, it was important that the fund should work in close collaboration with the World Bank, whilst avoiding cross conditionality.
- c) The terms for the use of the resources, such as the rate of interest and the period of repayment, should be similar to those applied to loans from the trust fund.
- d) Such arrangements would not adversely affect the availability of concessional development finance for low-income countries to utilizing trust fund reflows.

The committee urged the Executive Board to complete its work on this matter before the committee's next meeting, in the light of the guidance provided by the committee.

10. The committee had a preliminary exchange of views on the reports on the international monetary system presented by the Group of 10 and the Group of 24. It was agreed to request the Executive Board to study the issues raised in these reports with a view to facilitating a substantive consideration by the committee at its next meeting. The committee welcomed the commitment of its chairman to communicate with the chairman of the Development Committee with a view to seeing to what extent arrangements could be made for cooperation on other matters pertaining to development.

11. The committee expressed its appreciation to the government and the people of the Republic of Korea and to the City of Seoul for their warm hospitality and for the excellent arrangements provided for the meeting.

The committee agreed to hold its next meeting in Washington, D.C. on April 9-10, 1986.

No Compromise on External Debt

SK070604 Seoul YONHAP in English 0337 GMT 7 Oct 85

[Text] Seoul, Oct. 7 (OANA-YONHAP) -- The developing and industrialized countries participating in the Interim Committee (IC) meeting of the International Monetary Fund's (IMF's) board of governors had failed to reach a compromise over the external debt issue when the two-day meeting ended here on Monday. Following the IC meeting, which was held behind closed doors, H. Onno Ruding, IC chairman, told reporters that the IC members did not make any progress in solving the debt problem, despite their in-depth discussions, because the debtor and creditor countries disagreed on a variety of points.

According to the joint communique released by the Interim Committee shortly before a news conference was held at the Hilton International Hotel, here, several recent developments adversely affected the ability of developing nations to make debt servicing more manageable.

"Among these developments were the recent weakening of export markets, lower commodity prices, problems in domestic economics management and difficulties in re-establishing access to capital markets," the 11-point communique said. In the communique, the IC said that to solve the external debt crisis, certain conditions must be met: "the maintenance of satisfactory growth in the industrial countries, a policy mix that would permit a further decline in interest rates, effective adjustment in developing countries themselves, appropriate flows of finance, both official and commercial, and firm resistance to protectionist pressures."

In the 50-minute news conference, Jacques Larosiere, IMF managing director, said that one of the most important things to consider in handling the debt problem is that debtor countries should first work out independent measures for solving their external debt problems.

"The committee reaffirmed the key role of the fund in promoting the process of adjustment, in providing balance of payments financing, and in helping to mobilize financial resources for the debtor countries," the communique said. It continued, "the committee recognized that, in view of the uncertainties that remained in the world economy and the serious payments difficulties that many member countries continued to face, there was a need to continue the enlarged access policy, with only modest adjustment for the coming year."

The IC members agreed that the enlarged access policy in 1986 should involve annual limits of 90 to 110 percent of the quota, and three-year limits of 400 to 440 percent of the quota, depending on the seriousness of the debt problems of the member countries and the strength of their adjustment efforts. They also agreed that the existing access levels under the special facilities should be retained.

The IC members failed however, to reach an agreement on the allocation of additional special drawing rights (SDR's). They only confirmed that there had been no changes in the positions of the members on this subject since the committee's previous meeting, and that therefore, there was not enough support for the allocation of additional SDR's.

The committee also urged the Executive Board to go ahead with its plans to review the role of the SDR's, in the international monetary system, as a matter of priority, and to submit to the IC a progress report that the committee will be able to consider at its next meeting.

The IC members also agreed to hold their next meeting in Washington, D.C., April 9-10, 1986.

They agreed that 2.7 billion SDR's in resources should be used to provide additional balance of payments assistance on a concessional basis to the low-income countries eligible for IDA resources. The committee welcomed statements made by representatives from China and India that they would not be available for the facility for 1985-1986. The terms for the use of the resources, such as interest rates and repayment periods, should be similar to those applied to loans from the trust fund, the communique said.

The committee members agreed that protectionism poses a major threat to the world economy, and they expressed their firm determination to work toward an open trading system, in which all countries have effective access to world markets. They also held a preliminary exchange of views on the reports about the International Monetary System presented by the Group of Ten and the Group of 24. Observers from Switzerland and a number of international and regional organizations also attended the IC meeting.

U.S. Treasury Secretary Comments

SK061032 Seoul YONHAP in English 0952 GMT 6 Oct 85

[Excerpt] Seoul, Oct. 6 (OANA-YONHAP) -- Delegates of the Interim Committee of the Board of Governors on the International Monetary System met here Sunday to work out an agreement on the access limits of debtor countries to IMF resources in 1986.

The delegates to the 25th meeting of the Interim Committee, chaired by H. Onno Ruding, finance minister of the Netherlands, focused on the general prospects for global economic recovery, the access limits for 1986 and the question of allocating additional special drawing rights (SDR's). They also discussed preliminary considerations of reports on the International Monetary System, the use of trust fund reflows and other matters during the IC meeting, held in the Hilton International Hotel here. The 22 IC delegates agreed to maintain the current levels of access to the IMF by debtor countries, which face financial difficulties, a South Korean Finance Ministry source said.

James Baker, U.S. treasury, said that the IMF's enlarged access policy should eventually be eliminated, however. "As part of the increase in IMF quotas, it was agreed that the policy of enlarged access was temporary," Baker said. "This committee reaffirmed that view and has taken steps to gradually phase out enlarged access." The U.S. Government's position was contained in his statement.

The so-called "enlarged access policy" (EAP) was initiated on a temporary basis to help member-nations cope with their balance of payments problems.

Most of the IC member-nations, except for the United States, West Germany, Britain and Japan, supported the allocation of additional SDR's, the source said.

All 22 delegates noted that the recovery of the world economy has failed to reach the anticipated growth, it added. They agreed that a reasonable amount of capital should be sent from advanced nations to developing countries, in order to help capital-importing nations reduce their trade and current account deficits, the source said.

West Berlin Venue for 1988

SK051340 Seoul YONHAP in English 1328 GMT 5 Oct 85

[Text] Seoul, Oct. 5 (OANA-YONHAP) -- The World Bank (IBRD) and the International Monetary Fund (IMF) Saturday selected West Berlin as the venue of their annual joint meeting in 1988.

Representatives from West Germany, the IMF and IBRD signed an agreement in the Hilton Hotel here to hold the 1988 joint conference in West Berlin.

Representing the German side in a signing ceremony were Jergen Warnke, minister for economic cooperation; Gerhard Stoltenberg, minister of finance; and Karl Otto Poehl, chairman of the Deutschebank. A.W. Clausen, World Bank president, and Jacques de Larosiere, managing director of the IMF, signed on behalf of the two financial institutions.

In 1986 and 1987, the annual joint meeting will take place in the IMF/IBRD headquarters in Washington. Every third year, the conference is held in a city located in one of the other 148 member-countries, in accordance with established tradition. West Germany plans to host the meeting around the end of September 1988 at the new congress center in West Berlin. It will be the first time for Germany to host the meeting since the IMF and IBRD were established in 1946.

'GROUP OF 24' MEETS, ISSUES COMMUNIQUE ON DEBT

SK051248 Seoul YONHAP in English 1224 GMT 5 Oct 85

[Text] Seoul, Oct. 5 (OANA-YONHAP) -- Finance ministers from 24 developing countries, called Group of 24 (G-24), urged here Friday that the reform of the prevailing international monetary and financial system should be considered and the international community should work toward international conditions that will be supportive of a balanced development of the world economy and the accelerated development of developing countries. The G-24 ministers also stressed that a collective, continuing and comprehensive dialogue between governments of creditor and debtor countries is a must for a lasting and stable solution to the external debt problems of the developing countries.

In a communique issued at the end of the 32nd meeting of the G-24 ministers, formally Inter-Governmental Group of Twenty-Four on International Monetary Affairs, the ministers emphasized that the solution of the debt problems transcends the market mechanisms and therefore requires imaginative approaches which take into account the social, economic and political context.

The meeting was held at the Seoul Hilton Hotel, prior to the 40th joint meeting of the International Monetary Fund (IMF) and the World Bank (IBRD) scheduled for next week, and one day before the IMF Interim Committee meeting.

The meeting, chaired by Juan V. Sourrouille, minister of economy of Argentina, was also attended by IBRD President A.W. Clausen and IMF Managing Director J. de Larosiere besides the finance ministers of the G-24 member countries.

The G-24, formed at the 1972 Lima meeting of the Group of 77 to represent the interests of the developing countries, comprises eight members each from Africa, Asia and Latin America, and China attends as an invitee.

In the 60-point communique, the ministers stressed that the international economy continues to have numerous problems, including low rates of growth, high levels of unemployment in most countries, volatility and misalignment of exchange rates, lack of policy coordination among major industrial countries, and that the nature of these problems is largely systematic. They further pointed out that, in spite of harsh adjustment efforts by debtor developing nations and significant debt rescheduling, "external debt servicing countries continue to impose a very hard burden."

Emphasizing that urgent consideration must be given to developing mechanisms that would roll over or refinance a significant proportion of interest payments on bank debts, the ministers called for the establishment of a new facility in the IMF to provide compensation for interest rate increases, given that the large variability in interest rates has a severe impact on indebted developing countries. The ministers emphasized that "enhanced surveillance" by the IMF should not be a necessary condition for multiyear debt rescheduling. "The catalytic role of the fund (IMF) should, in principle, be exercised without enhanced surveillance."

They requested in the joint document that new credits should be extended by official export credit agencies to those developing countries that have had their official debt rescheduling and also to those with critical financial problems. The ministers reiterated that a task force should be established by the IBRD Development Committee to examine all aspects of the debt problem.

On the question of allocation of special drawing rights (SDRS), the group of 24 ministers noted the long-term global need for international reserves supplementation and emphasized that a substantial allocation of SDRS would help to meet that concern by promoting economic recovery without being inflationary.

They requested the Interim Committee to develop the political consensus for the approval of an immediate allocation of at least SDR 15 billion before the end of 1985, and thereafter, annual allocation of a similar amount.

They reaffirmed that the unconditional character of SDR allocations must be maintained and reiterated the call for the establishment of a link between SDR allocations and development financing needs.

On the recent decision of the World Bank's Executive Board recommending the establishment of Multilateral Investment Guarantee Agency (MIGA), the ministers noted the view of those countries that are interested that the creation of this agency could be a positive step to increase the flows of private direct investments and also noted the concerns of those other countries that have reservations about MIGA, the communique stated.

The next ordinary meeting of the Group of Twenty-Four will be held in Washington D.C. on the occasion of the spring sessions of the Interim and Development Committees, the communique added.

Chairman Holds Press Conference

SK051412 Seoul YONHAP in English 1335 GMT 5 Oct 85

[Text] Seoul, Oct. 5 (OANA-YONHAP) -- Juan Sourrouille, chairman of the meeting of ministers of the Group 24, Saturday said that the ministers shared a view on the further expansion of the role of the World Bank and the International Monetary Fund (IMF) in facing the challenging circumstances of developing member countries in the years to come.

Following the one-day G-24 ministers meeting behind closed doors, he told reporters that every effort should be exerted in a way to reflow capitals from advanced countries to developing nations.

During the 50-minute press conference in Seoul's Hilton International Hotel on Saturday evening the Argentine chairman stressed that if the capital reflow from industrialized nations to developing countries is not realized, the IBRD would face criticism from the world.

Touching on the size of the general capital increase of the World Bank, he said that its size, at a minimum, should double the current authorized capital. He also called on the commencement without further delay of negotiations for the general capital increase.

In answering a question on the global external debt crisis, he urged debtor countries to play a larger role than creditor nations in solving the knotty debt problem. Pointing out that the entangled debt crisis is afflicting both debtor and creditor nations, the Argentine economy minister said that a global approach should be made toward settling the problem.

On hand at the news conference were Ethiopian Economy Minister Tesfzye Dinka and Yugoslovian Finance Minister Vladimir Klemencic as vice chairmen, and Chairman of the Deputies Eduardo Zalduendo, who is an adviser to the Argentine economy minister.

WORLD BANK PRESIDENT OPENS PRESS CONFERENCE

SK040920 Seoul YONHAP in English 0852 GMT 4 Oct 85

[Text] Seoul, Oct. 4 (OANA-YONHAP) -- The following is World Bank President A.W. Clausen's opening statement at press conference here Friday:

"The speech is long but the message is clear. After five years of economic turmoil, we are at the start of a period which must -- and I stress the word must -- which must see a transition in the developing world from the rigors of austerity to the revival of development and growth. And the World Bank, armed with relevant, flexible and sound strategies, the fruits of our recent experience, will play a vital role in that transition. That is the message.

The task now is to help nations to put people back to work again to secure growth. We must recognize that continued austerity will need to be an essential fact of life for some years for many nations, but our actions must hold out the promise that it will not be a permanent condition of life. We must have a long-term perspective, recognizing that growth cannot be firmly secured when nations just live from one debt rescheduling to another.

I believe that progress will continue in global economic recovery. Hopefully we are standing at the threshold of an economic transition from recovery to sustained growth over the next five years. But let us be realistic about what is needed to secure this transition. We must have a more open world trading system -- and this is going to require new trade negotiations under the GATT. We must see the leading industrial nations restore monetary and fiscal balance to boost their growth prospects and lower interest rates.

The commercial banks must continue as lenders to developing nations. They cannot turn away from their responsibilities. Stagnation and deteriorating debt-service capacities are not in their own self-interest. Developing institutions must give more support to adjustment programs and they must do more to encourage the private sector and foreign direct investment. In addition, the international community must recognize that if the developing nations are to continue on the adjustment path, then there must be external finance available from official sources to support their efforts. This is not a matter of choice. This is an imperative if the transition from recession to sustainable growth is to be a reality.

Ladies and gentlemen, I have no hesitation in saying that the World Bank's role will be crucial in the transition from recession to sustained economic growth.

We have been very active in adapting to rapidly changing global conditions and strengthening our institution to meet the challenges ahead. The bank is in strong financial condition, enjoying strong investor support. It has greatly expanded its adjustment lending, its ability to make fast disbursing loans, its economic and sector work, its macro-economic research. The bank has significantly strengthened its work in many project sectors and we will double our population and health lending in the period ahead.

Moreover, we have moved forward on cofinancing, we have expanded IFC, and we have brought MIGA -- the Multilateral Investment Guarantee Agency -- to the launching pad.

The World Bank will play an expanding role. But this will mean larger lending levels, an enhanced capacity to meet the needs of our members. We have worked very hard over an extensive period to secure the political support for a bigger bank role. In my speech, I ask our shareholders for that firm support. I believe now that my call will meet with a positive response. I stress in the speech the desperately critical conditions in Sub-Saharan Africa, where at best, in the next few years, today's grim situation will continue. Far more must be done by the international community for the poorest of the poor countries.

Our action plan for Africa has won strong endorsement. Our approaches have been praised. But there must be greater concessional capital flows, not just for Africa, but for the poorest countries across the globe. This is essential. And IDA is a crucial weapon in the global struggle to reduce malnutrition and alleviate absolute poverty. It must be strengthened.

Negotiations for IDA's eighth replenishment will get underway very soon and I hope that they will be very strongly supported to deny adequate funds to IDA is unacceptable.

In this speech we call for our shareholders' support, convinced that there is much more that our institutions must do; convinced that our institutions are better prepared than ever before to help developing nations to progress towards sustained growth. Development is not an abstraction, but a process that improves the life of people. We must, and we can, play a vital role in that process."

Vice President on New Agency

SK061023 Seoul YONHAP in English 0930 GMT 6 Oct 85

[Text] Seoul, Oct. 6 (OANA-YONHAP) -- World Bank Vice President Ibrahim F.I. Shihata said Sunday that the movement for inaugurating the Multilateral Investment Guarantee Agency (MIGA) will gain momentum if the 20 countries that ratify the proposal for its establishment include 15 developing and five developed countries, and if the aggregate capital subscriptions of the 20 countries total 360 million U.S. dollars.

Shihata, who serves concurrently as general counsel of the World Bank, said the MIGA would be more than an insurance facility; it would also be promotional agency with a mandate for improving the global investment environment. The World Bank's executive directors decided last month to recommend to the governors of World Bank the text of a draft convention establishing MIGA, a new international development institute. Shihata urged the governors to approve the convention during the 40th joint annual conference of the International Monetary Fund (IMF) and the World Bank, to be held here Oct. 8-11.

In a press conference at the Daewoo Foundation building here, Shihata said that MIGA would issue investment guarantees for developing countries against non-commercial risks.

The non-commercial risks that would be covered by MIGA include currency inconvertibility, expropriations, breach of contract by the host government, where by the investor cannot obtain relief under local remedies, war and civil unrest, Shihata said.

The World Bank leader also expressed optimism about the prospects for the passage of the World Bank's resolution on the convention establishing MIGA during the upcoming joint conference. Shihata said that many World Bank member-countries have expressed support for the creation of MIGA, although some opposition does exist. MIGA would be financed with premiums and other forms of revenue, such as returns on investment, Shihata said. Its operations would be backed by an authorized capital of one billion special drawing rights (SDR's), valued at 1,082 billion U.S. dollars. Ten percent of the subscribed capital would be paid in cash, another 10 percent in promissory notes and the remaining 80 percent would be subject to call, if needed, to meet the agency's obligations, he explained.

In addition to equity and other forms of direct investment, eligible investments that would be guaranteed by MIGA include other forms of long- and medium-term investments, which would enable MIGA to serve new types of investment, especially by developing countries.

The vice president said that MIGA would cooperate with other public and private political risk insurers, and would complement their operations. It would be able to enter into coinsurance and re-insurance arrangements with these insurers.

In addition to its guarantee operations, he said, MIGA would conduct research, disseminate information on investment opportunities, promote investment flows, and provide advice and technical assistance to developing member-countries upon their request. All MIGA members would subscribe to the agency's capital, each in accordance with its economic strength, which would be measured by the allocation of the World Bank's capital shares, he explained.

Shihata said that the passage of the convention, following joint IMF/IBRD session approves the resolution on the convention establishing MIGA, would not be an easy matter. He said, however, that he expects many World Bank member-countries to sign the convention, because the idea of establishing the new agency has broad support.

According to a background paper released by the World Bank, establishing MIGA is particularly timely for two reasons. First an increasing number of governments of developing countries have come to realize the advantages of direct investments over commercial borrowing, the paper said.

Traditionally, those governments have viewed foreign investments with mixed feelings and have dealt with them through a confusing combination of inducements and constraints. But today, most of these countries have gained enough self-confidence to overcome what they once viewed as the negative effects of foreign direct investments.

The other reason is that the flow of private foreign investments into developing nations has declined, according to the paper. The idea for establishing a multilateral investment guarantee agency is not new; it emerged in the 1950s. The idea received new impetus, however, when World Bank President A.W. Clausen mentioned it in an address to the World Bank's Board of Governors at the annual IMF/IBRD meeting in September 1981.

MIGA would be separate, legally and financially, from the World Bank, it would fully recognize the sovereign rights of its member-governments and would not conclude any guarantee contracts before approved by the host government, according to the paper.

MIGA would operate on a sound financial and business basis, meeting its liabilities primarily with premium income and other revenue sources, such as the returns on investment, the paper added.

OFFICIALS FROM IDA DONOR NATIONS HOLD MEETING

SK050920 Seoul YONHAP in English 0742 GMT 5 Oct 85

[Text] Seoul, Oct. 5 (OANA-YONHAP) -- Officials from 33 donor nations of the International Development Association (IDA) met here Saturday to review the progress made so far by the association during the current seventh replenishment period from July 1984 through June 1987.

The meeting of the IDA deputies took place in Seoul's Hilton Hotel under the chairmanship of Moeen Qureshi, the World Bank's senior vice president for finance.

In the last fiscal year, which ended on June 30, 1985, IDA approved 3,028 million U.S. dollars in credits. Some 93 percent of all IDA credits are now for nations where per capita incomes are running at less than 400 dollars per year.

During the meeting, the officials focused on the economic difficulties and the development progress of the IDA borrowing nations. The meeting is not designed to raise new resources from IDA at this time.

The World Bank is, in fact, most heartened by the strong and swift response made by donor nations to its call for the establishment of a special facility for sub-Saharan Africa, the facility was established in July, 1985 with resources of 1.2 billion dollars, a World Bank source here said. The meeting also not only reviewed the condition of the world's poorest nations, but it considered a variety of issues concerned with the future development of IDA, so preparing the ground for future negotiations on the next IDA replenishment.

The World Bank's management is hopeful that the meeting has agreed upon a timetable for the start of negotiations on the eighth replenishment of IDA's resources, the source indicated.

FRENCH DOCTOR WOUNDED IN ATTACK ON KARENS

BK060656 Bangkok BANGKOK POST in English 6 Oct 85 p 3

[Text] Mae Sot -- A doctor, reportedly attached to the private French medical organisation, Medicine Sans Frontier, was wounded, together with six Karen rebels yesterday morning when Burmese Government forces attacked a rebel base about 60 kilometres north of here, a border source said

The doctor, Martin Dorwelly, was wounded while trying to evacuate the wounded from the rebel camp Tikerney. He was later admitted to Mae Sot Hospital.

Units of the Burmese 44th Division had launched a heavy offensive with artillery support on Friday, attacking the camp, headquarters of the rebel's 7th Division, opposite the Thai village of Mae La in Tha Song Yang District.

Four rebels were reported killed and at least four wounded in the attack.

The source reported that a strategic rebel camp, Man Po Kay, north of Tikerney, has been under heavy artillery bombardment since Friday, while four Burmese infantry battalions of the 44th Division were surrounding the rebels.

The rebels' 6th Division camp, Phalu, about 30 kms south of Mae Sot, has been surrounded by Burmese troops since Friday and is being pounded with artillery fire.

The source said that the Burmese have launched the attacks against the Karens in an attempt to prevent them from harassing Burmese officials who are preparing countrywide local elections.

SAN YU AMONG THOSE REELECTED TO ASSEMBLY

BK061354 Rangoon Domestic Service in Burmese 1330 GMT 6 Oct 85

[Excerpt] The names of 16 People's Assembly representatives elected on 6 October in the Fourth People's Assembly and People's Council elections were announced today by the Elections Commission. The announcement was contained in Notification No. 44 issued under Paragraph 13, Subarticle A, Article 12 of the Elections Commission Law.

The following are on the list of those elected People's Assembly representatives:

U San Yu, Bahan-1 township [president];
U Aye Ko, Taikkyi-1 township [State Council Secretary];
U Maung Maung Kha, Hlaing-2 township [Prime Minister];
Thura U Tun Tin, Hmawbi-1 township [Deputy Prime Minister];
General Thura Kyaw Htin, Mingaladon-2 township [Deputy Premier and Defense Minister];
U Tint Swe, Hmawbi-2 township [Industry-I Minister];
U Hla Tun, North Okkalapa-2 township [Construction Minister];
Lieutenant General Saw Maung, Taikkyi-2 township [Deputy Defense Minister];

STATE COUNCIL CONVENES PEOPLE'S ASSEMBLY MEETING

BK070654 Rangoon Domestic Service in Burmese 0630 GMT 7 Oct 85

[Text] In accordance with the resolution passed at the eighth meeting of the Third People's Assembly, the State Council today issued Notification No 4/85 convening the first meeting of the Fourth People's Assembly in Rangoon at 1000 on Monday, 4 November 1985 -- the sixth waning moon of Thadingyut, 1347 [Burmese era].

SPK CRITICIZES THAI-U.S. AGREEMENT, HOSTILE ACTS

BK051352 Phnom Penh SPK in English 1125 GMT 5 Oct 85

[Text] Phnom Penh SPK October 5 -- The protocol of understanding formalized in New York Friday providing for stepped-up U.S. logistical support for Thailand "in case of emergency" is in direct opposition to the three Indochinese countries and to the tendency for dialogue between the Indochinese and ASEAN countries.

Anyone can see that Thailand's oft-repeated allegations about "Vietnam's invasion of Thailand" and "Vietnam's threat to Thailand's security" are just a pretext for Bangkok to get more U.S. aid and to maintain tension in Southeast Asia. Through playing up the so-called "Kampuchea issue" the Thai ruling circles are tying themselves more and more closely to a military-political alliance with the U.S. imperialists just to be able to continue their hostile acts against the Indochinese countries, particularly against Kampuchea; witness the training and arming of remnants of the Pol Pot clique and other Khmer reactionaries in sanctuaries on Thai soil for sabotage and subversive activities against the Kampuchean people and the repeated Thai violations of Kampuchea's territorial sovereignty.

Despite all this, the People's Republic of Kampuchea, like Vietnam and Laos, makes a policy to respect Thailand's sovereignty and territorial integrity. The Kampuchean people always want to have peace with the Thai people and other peoples in the region so that they may concentrate on national reconstruction.

On the other hand, the Kampuchean people will deal most severely with any attempt to disrupt them in their peaceful labour. The Thai authorities should revise their policy which is already causing too much trouble to the Thai people. The recent coup in Bangkok was a direct outcome of this disastrous course.

HENG SAMRIN, PARTY HEADS ATTEND LOCAL CONGRESSES

BK041325 Phnom Penh SPK in English 1121 GMT 4 Oct 85

[Text] Phnom Penh SPK October 4 -- In preparation for the Fifth Congress of the People's Revolutionary Party of Kampuchea, the 22 party organizations of the provinces and cities and the Army have held their own congresses.

The local congresses discussed in depth and suggested amendments to the draft documents of the party Central Committee to be presented at the coming national congress. They selected delegates to the national congress and adopted motions expressing their gratitude for the care of the party Central Committee and their determination to be loyal to the party and the people and be ready to sacrifice for the people. All the local congresses were honoured by the participations of party leaders. The one in Svay Rieng Province was attended by General Secretary Heng Samrin who highlighted all the remarkable revolutionary gains, which, according to him, had been achieved due to the correct party guideline of serving the cause of national defence and construction and establishing the people's right to self-determination and their collective mastership.

COMMUNIQUE ON JOINT PARTY-CABINET SESSION

BK050643 Vientiane Domestic Service in Lao 0500 GMT 5 Oct 85

[4 October communique on joint LPRP Central Committee-LPDR Council of Ministers session]

[Text] A joint session of the LPRP Central Committee and the LPDR Council of Ministers was held from 20 September to 4 October to review the situation regarding the implementation of the resolutions of the seventh session of the party Central Committee, to hear overall reports on 10-year work submitted by various branches of service and localities, to basically discuss and exchange views on the direction of the Second 5-Year State Plan and the state plan for 1986, and to hear a communique on the success of the meeting between Comrade General Secretary Kaysone Phomvihane and Comrade General Secretary Mikhail Gorbachev in Moscow and a report on the meeting and the exchange of views among the top-level party and state delegations of Laos, Vietnam, and the PRK during their participation in the celebration of the Vietnamese national day in Hanoi.

The session studied and reached complete unanimity on the evaluation of the situation contained in a report by the comrade general secretary of the party Central Committee and chairman of the Council of Ministers on the success of the implementation of the resolutions of the seventh session of the party Central Committee in various spheres -- national defense and public security; economic transformation and construction; cultural development; economic management mechanism transformation; foreign affairs; the task of building the party and cadres in the past; and the direction, tasks, and methods for implementing and fulfilling the state plan for 1985 and the First 5-Year State Plan.

The session basically discussed and reached unanimity on the direction and objectives of the state plan for 1986 and the Second 5-Year State Plan, aimed at continuing to build political foundations; to build strategic rear-line zones; to consolidate the militant alliance among Laos, Vietnam, and Cambodia; to smash all the enemy's multifaceted sabotage schemes; and to promote and develop the spirit of self-reliance and the spirit of building strength by ourselves in effective coordination with the assistance and cooperation of various socialist and other countries -- of the Soviet Union and other Indochinese countries in particular -- aimed at exploiting and make full use of all national potentials to build and transform economic foundations, agriculture, forestry, transportation and communications, processed industry, and handicrafts; vigorously stepping up import and export; raising the people's cultural level; positively building and training cadres and workers; and building primary factors for various future economic and cultural development projects.

The session proposed that all branches of service at all levels continue studying the objectives and direction [of the state plans], compile detailed plans, and later report to the party Central Committee and the Council of Ministers. The session wholeheartedly hailed the initiatives and correct proposals advanced at the conference of the foreign ministers of Laos, Vietnam, and the PRK held in Phnom Penh in August 1985, aimed at bringing about peace and stability in the region. The session also hailed the declaration on the unilateral suspension of nuclear tests and various constructive proposals advanced by the Soviet Union to end the arms race, particularly in space, and to check the holocaust of a nuclear war being planned by the bellicose imperialists. The session hailed the fine success of the working meeting between Comrade General Secretary Kaysone Phomvihane and Comrade General Secretary Mikhail Gorbachev in Moscow and of the meeting and the exchange of views among the top-level party and state delegations of Laos, Vietnam, and the PRK in Hanoi during their participation in the recent celebration of the Vietnamese National Day.

The session regarded the working meeting and the exchange of views between the supreme leaders of the Lao and Soviet parties and states and of Laos, Vietnam, and the PRK as a very important step that has opened up a new era for the militant alliance and all-round cooperation between Laos and the Soviet Union and between Laos and other Indochinese countries. This agreement directly encourages our people to build a new position and new strength to carry out our two strategic tasks -- to defend the country and build socialism.

The session called on the entire party, Army, and people to unite, be confident, and vigorously do their best to bring into play their responsibility, creativity, and spirit of self-mastery to fulfill effectively the various tasks and objectives of plans at each level and in each branch of service and each work unit, thus contributing to the accomplishment of the 1985 plan and the First 5-Year State plan and scoring achievements to welcome the 2 December National Day and the forthcoming fourth party congress.

Vientiane, 4 October 1985

PASASON CRITICIZES THAI PROPOSAL ON BORDER

BK050542 Vientiane Domestic Service in Lao 1400 GMT 4 Oct 85

[PASASON commentary: "What Does Thailand's Proposal To Settle Problems at the Local Level Mean? -- date not given]

[Text] According to foreign reports on 1 October, in addressing the UN General Assembly session on Thai-Lao relations, the head of the Thai Government reiterated that Thailand had advanced a proposal for discussions between local-level officials of the two countries. This settlement is tantamount to repeating what Thai Foreign Minister Sitthi Sawetsila proposed in his 23 July letter to LPDR Foreign Minister Phoun Sipaseut to evade the Lao side's correct and reasonable proposal mentioned in Phoun Sipaseut's 1 July letter. Moreover, the statement shows the deceitful trick of the Thai side, which, after deceiving public opinion in the region, is currently trying to divert international attention from its evil intention of delaying the improvement of Thai-Lao relations and slandering and vilifying the Lao side's correct and constructive proposal.

As everyone knows, the fine, time-honored relations between the Thai and Lao peoples have been affected and plunged to the present level by the Thai authorities' allowing the ultrarightist reactionaries in the Thai ruling circles to pursue sabotage schemes, create troubles along the Thai-Lao border, and trample underfoot the spirit and contents of the Thai-Lao and Lao-Thai joint communiques signed by the two governments in 1979.

Various incidents initiated by the dirty hands of the Thai ultrarightist reactionaries include the problem of three Lao villages in Paklai District, Sayaboury Province, which the Thai ultrarightist reactionaries sent regular troops to seize and occupy in mid-1984. Even though the Thai side has announced the withdrawal of its troops from the three villages, forces of the Thai ultrarightist reactionaries still remain on various hills in the area.

Governmental-level delegations of the two countries have held talks on several occasions. However, no progress has been achieved and no result has been obtained -- contrary to what the Lao and Thai peoples desire. All this is due to the Thai side's lack of sincerity and its unilateral suspension of the talks. At the same time, there are many other problems that must be peacefully and urgently resolved by the two governments through talks. Such problems include, for example, those of trade and the transportation of goods.

These problems, in accord with general practice in international relations, can be resolved only by government-level Thai and Lao delegations. Local officials of the two countries can only implement agreements reached between the two governmental-level delegations.

For this reason, the repetition of the old, incorrect attitude by a high-level Thai official on the settlement of Thai-Lao relations not only delays the improvement and normalization of Thai-Lao relations but also shows the deceitful tricks of Thai authorities, who are trying to deceive the Thai people and divert international attention from their evil intentions and mistakes in carrying out their domestic and foreign policies in the past as well as at present. At present, no one can deny Thailand's grave economic crisis caused by the incorrect domestic policy of the Thai ruling circles, which have pursued principles that run counter to the Thai people's interests. Mistakes can also be seen in their foreign policy. They have willingly carried out schemes of the imperialists and the international reactionaries in provoking neighboring countries, such as Laos, Cambodia, and other countries. As a result, countries friendly to Thailand, including its allies, no longer have confidence in or trust Thailand. Regarding its trade policy in particular, the United States itself has closed its door to Thai goods.

Thanks to this reality, the Thai ruling circles, particularly since the 9 September abortive coup, have felt ashamed before the nations of the world because of their incorrect policies that run counter to the interests of the Thai nation and people and contradict the principles of international relations and law. This is why the Thai authorities are paying special attention to launching propaganda campaigns at home and abroad to cover up their crimes.

Nevertheless, they can in no way deceive public opinion at home and abroad. In the present Thai society, the people who have followed Buddhism, cherished peace, and ardently desired the normalization of Thai-Lao relations know well who are trying to meet the aspirations of the Thai people and who are following a hostile policy toward neighboring countries and the arms race policy of the imperialists and the international reactionaries. What is more important is that they know well who have caused the current hardships they are now shouldering. Therefore, the play the Thai ruling circles are staging at home and abroad will only humiliate and isolate them more than ever.

GREETINGS TO SOVIET LEADERS ON TIES ANNIVERSARY

BK061142 Vientiane Domestic Service in Lao 0500 GMT 6 Oct 85

[6 October greetings message from Kaysone Phomviharn, general secretary of LPRP Central Committee and chairman of LPDR Council of Ministers, and Souphanouvong, president of LPDR and chairman of SPC, to Mikhail Gorbachev, general secretary of CPSU Central Committee; Andrey Gromyko, president of Presidium of Supreme Soviet of USSR, and Nikolai Ryzhkov, chairman of USSR Council of Ministers]

[Text] Beloved comrades, on the glorious occasion of the 25th anniversary of the establishment of diplomatic relations between Laos and the USSR, on behalf of the LPRP Central Committee, the SPC, the LPDR Council of Ministers, and the Lao people, and in our own names, we are overwhelmingly happy to extend our warm salutations and sincere congratulations to you, comrades, and, through you, to the CPSU Central Committee, the Presidium of the Supreme Soviet, the USSR Council of Ministers, and the fraternal Soviet people.

The establishment of diplomatic relations between Laos and the USSR on 7 October 1960 constituted a significant event in the fine history of the relations between our two countries.

Since the establishment of diplomatic relations, we have consolidated and further strengthened these ties in conformity with the interests of our two countries and of peace, friendship, and international cooperation. At a time when the imperialists and international reactionary forces are colluding with one another to implement a warmongering policy against socialism and the world revolution, the strengthening of close solidarity and all-round cooperation with the Soviet Union and the countries in the socialist community constitutes an important factor for the struggle to defend peace and to safeguard and enhance our revolutionary fruits.

On this glorious occasion, we would like once again to express our profound gratitude to the CPSU, the Soviet Government, and the fraternal Soviet people for rendering invaluable assistance to our national liberation struggle in the past and our national defense and socialist construction at present. We will do everything to enable the fraternal friendship, militant solidarity, and all-round cooperation between the two parties, states, and peoples to be further developed and bear more fruits.

May the great fraternal Soviet people, under the leadership of the honorable and majestic CPSU, score yet greater achievements in fulfilling the 11th 5-year plan and the resolutions adopted at the 26th CPSU Congress in a brilliant manner and in making triumphant preparations for convening the 27th CPSU Congress.

May the great friendship and militant solidarity between Laos and the Soviet Union last forever.

Vientiane, 6 October 1985.

[Signed] Kaysone Phomvihane, general secretary of the LPRP Central Committee, chairman of the LPDR, chairman of the SPC of the LPDR.

FUNCTION HELD TO MARK SOVIET RELATIONS

BK070052 Vientiane KPL in English 0852 GMT 3 Oct 85

[Text] Vientiane, October 3rd (KPL) -- The Ministry of Foreign Affairs organised here this morning a function marking the 25th anniversary of the establishment of Lao-Soviet diplomatic relation (Oct 7). Speaking to the gathering, Impong Kahi-gnavong, deputy-minister for foreign affairs, highlighted the unceasing development of the Lao-Soviet relations and expressed deep gratitude to the Soviet Union for its constant and effective assistance to and all-round cooperation with the Lao PDR in the past as well as at present. For his party, V. Sobchenko, the Soviet ambassador to Laos, spoke of various projects assisted by the Soviet Union in the Lao PDR with emphasis on economic building. He expressed his satisfaction over the constant development of the Soviet-Lao friendly relations.

PREM, WEINBERGER SIGN LOGISTICS ACCORD IN NEW YORK

BK041130 Bangkok Domestic Service in Thai 1300 GMT 3 Oct. 85

[Text] According to the Supreme Command Information Office, Prime Minister General Prem Tinsulanon, in his role as defense minister, and U.S. Secretary of Defense Caspar Weinberger have signed the memorandum of understanding on logistics support between Thailand and the United States. The document is the culmination of high-level negotiations between Thai and U.S. officials which began early this year and is a further development in the 35-year old Thai-U.S. military cooperation agreement. The memorandum of understanding combines current logistics procedures and sets guidelines for expansion of logistics support both in peacetime as well as in periods of international tension or armed conflict. It sets more definite regulations in logistics and security cooperation requests between the two countries and serves as the master plan for further expansion of logistics support, pending further agreements between the two countries' Armed Forces.

For example, the Thai Armed Forces will be able to receive military equipment directly from the U.S. military logistics system and Thailand will receive assistance in establishment and expansion of weapon, ammunition, and explosive production facilities, as well as receive U.S. -manufactured spare parts and be able to lease military equipment for use in national defense.

An important part of the memorandum of understanding is that the Armed Forces of the two countries will be authorized to jointly plan urgent logistics requirements of the Thai Armed Forces in times of emergency as well as the procedures to satisfy such requirements. It also sets guidelines for Thailand's supply of materials, equipment, and services for U.S. defense requirements

The memorandum of understanding is valid for 5 years and is renewable. It became effective when signed.

TROOPS FIGHTING CAMBODIAN 'BANDITS' NEAR BORDER

BK070712 Bangkok BANGKOK WORLD in English 7 Oct 85 p 1

[Text] Ta Phraya -- Thai troops this morning stepped up action against Kampuchean bandits after four people were killed in a series of clashes over the weekend, a military source reported.

According to the source, the new commander of the Burapha Field Force, Maj-Gen Choetchai Thirattanan, dispatched fresh reinforcements to the scene of fighting near the Khao I-Dang holding centre and a new round of fighting was expected late this morning.

Thai troops backed by armoured personnel carriers had already encircled the bandits in a vast grass field near the United Nations-run holding centre, the source added. The four victims include a Tho So Po Cho [Thai National Defense Volunteer] militiaman and two young Kampuchean refugees who were killed yesterday and a bandit who was found dead on Saturday morning.

Fighting erupted after about 30 heavily-armed bandits robbed a Thai village located three kilometres east of Khao I-Dang on Friday night. The bandits, armed with RPG rockets and AK-47 rifles, crossed the border and entered Nong Mang Village at about 10 p.m. that night and robbed four households of cash, food supplies and valuables. They then took a mother and her 13-year-old son as hostages before they escaped towards the direction of Ban Nong Samet.

The villagers immediately alerted the Special Task Force 903 which shortly afterwards sent 30 troops and 20 Tho So Po Cho militiamen to tract the bandits, the source said. They caught up with the runaway bandits a few hours later and fierce fighting erupted, the source added. In the morning, the troops called in APC carrier to clear the area and found the body of a bandit with his AK47 rifle, the source added.

The hostages were found unharmed later that day, he said. In a fresh clash yesterday morning, a Tho So Po Cho militiaman identified only as Nikon was shot in the chest and abdomen and a soldier, Sgt Wichai Charoenphon, was wounded.

VILLAGERS WARNED OF BURMESE BORDER SHELLING

[Excerpt] TAK -- Thai villagers have been warned against going near the Thai frontier with Burma after some 20 artillery shells, fired by Burmese troops at Karen rebels, landed in Thailand on Saturday. A report said the shells exploded near Doi Din Ki at Wang Thak Khian village in Tambon Tha Sai Luat, Mae Sot District. No one was hurt.

The military here has asked Mae Sot immigration police to inform the Burmese authorities about the stray shells which landed between 5:00 p.m. and 7:00 p.m. Burmese troops and the rebels at Phalu camp, located opposite the Thai village of Mae Kon Ken in Tambon Mahawan, exchanged artillery fire yesterday morning, but details of the fighting were not known. The rebel base has been surrounded by Burmese soldiers since Friday.

ARMY ISSUES WHITE PAPER ON COUP ATTEMPT

BK050154 Bangkok: THE NATION in English 5 Oct 85 pp 1,2

[Text] The Royal Thai Army [RTA] yesterday released a 68-page "White Paper" chronicling the Sept 9 attempt coup events to counter a spate of rumours "spread from sources both within the country and abroad in an effort to undermine the military institution."

The RTA said in an introduction to the document that the unfounded rumours and distorted statements made in the form of rumours had "unfairly besmirched the reputation of the Army and some officers in the Army through irresponsible remarks, with an aim to sow the seeds of discord and disunity within the Army and national stability."

The White Paper reported that the coup plotters during negotiations beginning at 3:15 pm on Sept 9 proposed the condition that Col Manun Rupkhachon and two noncommissioned Army personnel, Sgt Sanit Somanikon and Sgt Wichian Worachai, be allowed to seek asylum abroad.

The condition, according to the document, was proposed during negotiations between Gen Soem na Nakhon, Gen Kriangsak Chamanan, Gen Yot Thephatsadin, ACM [Air Chief Marshal] Krasae Intharat, ACM Arun Phromthep and Col Manun with the First Army Region Commander, Lt Gen Phichit Kunlawanit at the First Army Region Headquarters.

"The Internal Peace-Keeping command decided that accepting the condition of the coup plotters would be one way to put an end to the disturbances as soon as possible and would help to save public lives and properties. The condition was therefore accepted," the White Paper said in part.

It said that Supreme Commander and Army Commander-in-Chief Gen Athit Kamlang-ek was informed of the attempted coup at 5:50 am on Sept 8 (Bangkok time) while he was staying at the Sheraton Hotel in Stockholm. The paper said that Gen Athit immediately got in touch with Col Montri Thipwathi, his personal aide, to obtain more information on the situation in Bangkok.

"Gen Athit ordered Col Montri to coordinate with all senior military officers and police officers to set up an internal peace-keeping command at the Eleventh Infantry Regiment in Bang Khen," the paper said. It said at 6:30 am (Bangkok time), Gen Athit put through another long-distance telephone call to talk to Lt Gen Chawalit Yongchaiyut, Army Chief-of-staff, to ask him whether he had reported the incident to Prime Minister Prem Tinsulanon who was then in Indonesia. Gen Chawalit reported that the premier had received the report.

Gen Athit then gave a four-point order to provide full protection for Their Majesties the King and Queen and all members of the Royal Family and to issue a statement under Gen Athit's name while he was trying to take the next flight back.

At 7:45 am (Bangkok time), the Army Commander-in-Chief called Lt Gen Chawalit again to get a briefing on the latest developments in setting up the counter-coup command and instructed him to send troops to take control of such important places as radio and television stations and other government premises as well as protection measures from Don Muang airport.

Maj Gen Itsaraphong Nunphakdi, First Army Division Commander, ordered the Eleventh Infantry Regiment to set up a special force to provide security for the airport. At 9:50 am (Bangkok time), Gen Athit was on the long-distance phone again. He was told by Lt Gen Chawalit that government forces had not by that time been able to regain control of the coupmakers' command yet. Gen Athit gave the following instructions:

1. Get the RTA to have four helicopter gunships to support ground operations and to organize two infantry battalions from the First Army Division, backed by reinforcements in the form of anti-aircraft artillery guns and anti-tank weapons to block off streets and pressure the coup plotters to surrender.

The First Cavalry Battalion was to move in to provide protection at Army TV Channel 5 which would be used as the major communications network while the First Infantry Regiment was to take charge of Channel 9. Special task forces comprising armoured carriers were to carry out the assignments.

2. The Royal Thai Navy was to take over Channel 3 at the same time.

3. The Royal Thai Air Force was to get aircraft ready to make announcements from the air for the coup troops to surrender and to ask members of the public to move out of the area where government troops were to launch operations.

4. Police were to be in charge of blocking all intersections leading to major roads outside the city.

"After that, Gen Athit talked to Lt Gen Phichit Kunlawanit, the First Army Region Commander, to discuss the general situation and operations of units within the First Army Region. Lt Gen Phichit reported that the Internal Peace-Keeping Command had instructed the First Infantry Regiment and Eleventh Infantry Regiment to surround the coup troops by blocking all roads leading to Sanam Suapa where the coup leaders had set up their headquarters while the 21st Infantry Regiment had despatched a battalion to serve as reinforcement," the White Paper said.

Lt Gen Phichit also informed Gen Athit that His Majesty the King had been kept informed of the latest developments. "Gen Athit instructed Lt Gen Phichit to try to accelerate all operations to bring the coup attempt to a halt as soon as possible and to try to avoid losses of human lives and properties as much as possible," the paper said.

The White Paper said the coup plotters took control of the Supreme Command headquarters at Sanam Suapa at 4 am that day and had taken RTAF Commander-in-Chief ACM Praphan Thupatemi hostage. The document also said that the two NBC newsmen, Neil Davis and William Latch, were killed accidentally while covering the coup.

At 4:30 pm, the paper added, a unit from the Second Cavalry Division led by Col Thotsaphon Songsuwan and patrol units from the Bangkok Security Command took 24 tanks and 95 soldiers from the Fourth Cavalry Regiment who had surrendered to be detained at the Second Cavalry Division at Sanam Pao. At the same time, 38 Air Force personnel from the RTAF's Security Department were taken to the air force unit at Don Muang for detention.

COURT EXTENDS DETENTION OF COUP SUSPECTS

BK050217 Bangkok THE NATION in English 5 Oct 85 p 3

[Text] The Criminal Court yesterday gave permission to the police to extend the detention of the four retired generals and four of the labour leaders accused of sedition by another 12 days. The court, which was set up temporarily at the headquarters of the Special Branch Division (SBD), also said it would consider request for bail. It was the second time that their detention was extended.

Only two of the suspects, former premier Gen Kriangsak Chamanan and president of the Labour Congress of Thailand (LCT) Ahmad Khamthetthong, objected to their extended extension. The police investigators told the court that they still needed to question another 20 witnesses and claimed that their release now might affect the investigation.

The other suspects who will be detained for another 12 days are former supreme commander Gen Na Nakhon, former deputy army commander-in-chief Gen Yot Thephatsadin, former deputy supreme commander ACM [Air Chief Marshal] Krasae Intharat, Sawat Lukdot, Prathin Thamrongchoi and Itsara Ngamrot. They are all alleged to have been involved in the Sept 9 abortive coup.

At the Criminal Court, meanwhile, police obtained permission to extend the detention of Saman Ngamsanit, a lecturer of Sukhothai Thammathirat University, who was arrested on the same charge. Saman and Sawat yesterday unsuccessfully sought bail.

In objecting to the extended extension, Gen Kriangsak said he had already told the investigators all he knew about the abortive coup and the on-going investigation did not directly concern him. The former premier, who is also an MP representing Roi et, referred to his role in bringing a peaceful end to the attempted coup. As an MP, he said he had a lot of responsibility and work to handle.

Gen Kriangsak also said that if he was granted bail he would not escape or do anything to affect the investigation. Gen Kriangsak appeared relaxed as he spoke.

Ahmad, meanwhile, told a panel of judges that since he was last questioned by police investigators on July 17 he was never asked to give any statements again. Ahmad said his family is facing financial problems because it provider was detained.

In clarifying their investigation procedure to justify the extended detention of the suspects, the police investigators told the judges that they had already questioned more than 60 witnesses. They said they were still looking for another 20 witnesses for questioning.

They said only Gen Soem needed to be questioned but that the questioning of the remaining witnesses would also involve all the suspects. About 30 police investigators are handling the case and they said they are trying to make as much progress as they can.

The four labour leaders were handcuffed and escorted from the Police Training School in Bang Khen where they had been detained. All the four retired generals appeared in suits.

They have been complaints that police are giving too many privileges to the four retired generals who are not required to be handcuffed and are provided with facilities which the other suspects are denied.

Under the Criminal Code, the suspects can be held for a maximum of 84 days.

SUPREME COMMAND SECRETARY VIEWS COUP LEAFLETS

BK061524 Bangkok SIAM RAT SAPDA WICHAN in Thai 6 Oct 85 pp 4, 5

["Leaflet Campaign: A Wedge To Sow Division"]

[Text] "We are trying to identify the masterminds of the leaflets," Major General Kamon Udomsin, the Supreme Command secretary, said to SIAM RAT SAPDA WICHAN about the dirty movement producing leaflets about the 9 September aborted coup. At least three different sets of leaflets have been produced speculating on who was behind the 9 September coup. The first leaflet, entitled: "Who Was Behind the 9 September Coup," is two pages in length and was produced by "Suapa 604." The second leaflet, produced by "Yuwa Prachathipat" [Young Democrats] -- is an analysis entitled: "Behind the 9 September Coup." Finally, the third leaflet is a translation of the UK paper SUNDAY TIME'S report entitled: "A Nightmare for the Thai Army Commander in Stockholm."

Kamon said the first leaflet did not influence him at all because it seemed so unreasonable. He said it alleged groundlessly that General Athit Kamlang-ek, Kamon himself, Colonel Manun Rupkhachon and the generals now under arrest were in on the coup, while the side which resisted the coup consisted of Generals Thianchai, Chawalit Yongchaiyut, Phichit Kunlawanit, and Colonel Phiraphong Sapphakphisut. The leaflet charged that Gen Athit plotted every step of the coup, that General Yot was the main coordinator, that Col Manun formulated the city seizure plan using the 4th Cavalry Battalion, and that Maj Gen Kamon acted as the coordinator between Gen Athit and Col Manun. Kamon, a Chulachomklao Academy Class 8 graduate, said: "If Gen Athit had wanted to stage a coup he would not have been that dumb. He would have employed all the forces under his command to ensure success. He has never thought of staging a coup; there is no reason for it." The leaflet said Gen Phichit had no previous knowledge of the coup but he was concerned about Col Manun and felt indebted to General Yot who had helped him when he was in the 3d Army Region. For this reason, Phichit remained neutral and helped negotiate the settlement and provided protection for Manun after the coup was defeated.

The leaflet said General Thianchai was not aware of the coup plan but acted in accordance with his duty as the acting Army commander. Thianchai also wanted to use the opportunity to strengthen his political future, according to the leaflets.

The leaflets attacked General Chawalit, saying he "seized the opportunity to try to crush Gen Phichit and the Young Turks. Chawalit persuaded Gen Thianchai to resist the coup attempt after learning that Thianchai had been called to the coup headquarters by Gen Yot."

Kamon said the fact was that right after learning about the coup, Gen Athit gave instructions to resist the coup and to form the anticoup headquarters at the 11th Infantry Regiment. "Gen Athit issued periodic instructions to avoid bloodshed and to wait for his orders if something of extreme necessity arose." "For this reason, the officers who were in the anticoup force knew well who was who," said Kamon.

Regarding the leaflet by "Yuwa Prachathipat," they tried to drive a wedge between military officers by carefully piecing together times, places, and individuals' actions. The leaflet said: The target of the coup was Gen Prem, the entire Cabinet, the Democrat Party, and the influence of Gen Chawalit and the members of the Chulachomklao Military Academy Class 5. The essence of this leaflet was similar to that of the first leaflet -- alleging that Gen Athit was behind the coup but adding that Gen Phichit was also among the coup plotters.

The leaflet, citing its own unidentified sources, said the coup plan was that after the tanks were brought out, the masses would be persuaded to join the coup by issuing statements critical of government administration and by publicizing its own promising policy. This was to prolong the unrest for 2-3 days. The next stage was that the Army chief who was abroad would return and pretend to negotiate a truce by pardoning junior coup party members and claiming that major coup plotters had been forced to join the coup. In the final stage, the leaflet says, Gen Athit would use the complaints noted in the coup party's statements to force Gen Prem to resign in order to form a new government.

The leaflet said the coup failed because Gen Thianchai, who was left out by the coup plotters, carried out his duties and also because of Gen Prem's direct instructions to Gen Chawalit to act as the center to defuse the situation. The leaflet said another reason for the failure of the coup was the tank attack of the 1st Army Division Radio, which prompted drastic counter action to be planned by the special forces from Lop Buri and ranger volunteers from the Pak Thong Chai Camp through the orders of Gen Thianchai and Chawalit. The coup plotters realized that the event had backfired and felt Gen Thianchai and Chawalit might order their men to crush the coup by 9 September evening, so they negotiated a ceasefire.

Kamon said he believed the producers of the leaflets are people who have ill intentions toward the government and the country. He said although Communist Party of Thailand followers had surrendered, their thinking has not changed -- they still want a change in the administrative system. Kamon said the leaflet campaigns are coordinated from inside and outside the country. This is evident in the leaflets slandering Gen Athit about his trip to observe telephone and military operations in Sweden at the time of the coup. Kamon said "the leaflet 'The Nightmare for the Thai Army Commander in Stockholm' is clearly an attempt to destroy Gen Athit." The fact is that Gen Athit did not attend the celebrations organized by the Ericsson company that night; he had Japanese food with his staff officers and went straight to bed.

Kamon concluded that many rumors and leaflets in circulation now are a result of the currently confused situation. For this reason, the Army will published a white book to explain what happened on 9 September in order to help improve the situation. Kamon said: "Producers of leaflets and generators of malicious rumors do not wish the government and the military establishment well."

VO DONG GIANG'S STATEMENT TO 40TH UN SESSION

OW050821 Hanoi VNA in English 0704 GMT 5 Oct 85

[Text] Hanoi VNA Oct. 5 -- Following is the text of the statement delivered by Vo Dong Giang, minister head of the delegation of the Socialist Republic of Vietnam at the October 4 meeting of the 40th Session of the U.N. General Assembly.

The delegation of the S.R.V. would like, at the very outset, to congratulate you most cordially and to wish you best success in your guidance of this session of the General Assembly.

Mr President, first permit me to express to the Government and people of Mexico the profound sympathy and sincere condolences of the Government and people Vietnam over the heavy losses by the recent earthquake. We are convinced that with their undaunted will and with the assistance of the international community, the Mexican people will soon be able to overcome this severe trial.

Today we are offered the opportunity to look back at the four decades of activities of the U.N. and to identify the crucial problems which call for common efforts by the entire international community.

Forty million men, of whom twenty million were sons of the heroic Soviet people laid down their lives for mankind's great victory ending the second world war and leading to the creation of the U.N., this largest and most important of international organizations. Since then, millions of others have sacrificed their lives to quench the flames of war kindled by imperialism throughout the world, and to wrest back independence and freedom and achieve social progress. Enormous human and material resources have been expended in order to break the nuclear monopoly of imperialism and to achieve a military-strategic equilibrium, thus enabling mankind to enjoy the longest period without a world war this century. These significant achievements, realized at the cost of priceless sacrifices, serve as the basis for and foster the adoption of numerous positive resolutions at the U.N. However, the struggle for a stable and lasting peace on earth as well as the fight for independence, sovereignty and development are far from ended. They have grown more intense given the self-evident fact that the imperialist and reactionary forces will never of their own will renounce their designs of domination and exploitation of the world peoples.

Today, with the constant growth of the forces of national independence, peace and social progress, there exists a real possibility of hope and more effectively preventing and gradually thwarting all attempts to provoke a new world war. However, given the insane calculations of the warlike and militarist forces, the danger remains greater than ever of a war which would spell mankind's own extinction. These forces continue accelerating the arms race, particularly in the nuclear field, in a bid to destroy the strategic equilibrium. Worse even, under the deceitful lable of 'Strategic Defence Initiative' they have launched a programme to extend the arms race into outer space, thus posing a new threat to the world peoples. The struggle against the arms race on earth as well as in outer space is an issue of immediate significance and a priority for all peoples. Any action for peace, independence and sovereignty of nations and for democracy, welfare and social justice is inseparable from the common struggle to prevent a nuclear war. Along with its other constructive peace initiatives, the Soviet Union's unilateral moratorium on all nuclear tests until the end of this year represents a clear gesture of goodwill and an important contribution to world peace and international security.

In the past four decades, Europe has gone through a long and complex struggle to preserve peace and peaceful coexistence between the two different social systems, against all attempts by the imperialist forces to obliterate the socialist system which came into being following the Second World War. This struggle bore fruit with the signing of the Helsinki Act in 1975 which defined the framework for peaceful coexistence, later reaffirmed at the Madrid Conference in 1983. But in view of the invariable nature of imperialism, the struggle to consolidate peaceful coexistence in Europe remains a burning issue: namely the question of how to avert a nuclear conflagration the unavoidable consequence of which would be a catastrophe for all mankind.

For the past four decades, notwithstanding the absence of a world war, the peoples of Asia have never known any real peace. They have faced the bloodiest and longest wars. Even today, Asia remains hot spot due to the policies of certain imperialist and militarist forces who are trying to turn Asia and the Pacific into an arena of political and military confrontation. Obviously, Asia still lacks a framework for peaceful coexistence but the premises there are taking shape: in the course of the past four decades the peoples of this continent have recorded successive victories in the struggle for national independence and social progress, thus was made possible the emergence of a balance of forces favourable to peace, radically changing the face of the world, irrespective of the intransigence of the imperialist and colonialist forces. Long and complex though it may remain, the struggle for peaceful coexistence in Asia and the Pacific coalescing with the trend of our time is bound to carry the day. In this regard, we can note the truly realistic character of the Soviet Union's proposals on building mutual confidence in the Far East and on convening a forum to discuss all questions relating to peace and security in Asia and the Pacific, as well as of Mongolia's initiative regarding the signing of a treaty of mutual non-aggression and non-use of force in relations among states of Asia and the Pacific.

During the past forty years, hundreds of millions of people among the oppressed nations have stood up to throw off the colonial yoke and win back their independence and freedom. In this heady atmosphere and acting in accordance with the general trend, the United Nations adopted, at its 15th session 25 years ago, the "declaration on the granting of independence to the colonial peoples and countries." In its wake, many other important resolutions were adopted by the U.N. with the aim of affirming the right of all peoples to live in independence, sovereignty, unity and territorial integrity, as well as their right to choose the political system they desire. Up to the present, however, many peoples in Asia, Africa, Latin America and Oceania still engaged in a fierce struggle to achieve and preserve these sacred inalienable rights.

The peoples of Central America and the Caribbean are facing the United States' policy of aggression, directed especially at Cuba and Nicaragua, the persistence of colonialism in Puerto Rico and the repression of the revolutionary movement in El Salvador and other progressive national movements. A military contingent was even dispatched to invade Grenada. Such a policy has created tensions, threatened the peace and stability of the region, utterly disregarding the efforts of the Contadora Group which are designed to find a negotiated solution to the situation in Central America.

The Namibian people, under the leadership of the Southwest African People's Organization (SWAPO); and the South African people, under the leadership of the African National Congress (ANC) are persevering in a long and arduous, but most valiant struggle against the brutal domination of colonialism and apartheid, and for the right to genuine self-determination and independence. The frontline states are still constantly coping with acts and threats of aggression from certain imperialist forces and the racist regime of South Africa, in order to defend their independence, sovereignty and security, and to affirm their right to contribute most effectively to the realization of the international demand for the elimination of the last stronghold of colonialism in that part of the world.

The peoples of the Middle East are still engaged in a continuing fight against the Israeli Zionists and their masters who are intensifying their policy of aggression against the Palestinian people and their attempts to undermine the latter's unity as well as the fundamental national rights of the Palestinian and Arab peoples.

In the midst of the current session of the General Assembly, barely a few days ago, a bombing raid was staged by the Israeli Zionists against PLO Headquarters near Tunis and almost simultaneously, an armed attack was launched against Angola by the South African racists. Both criminal acts stem from the same policy of state terrorism that Vietnam vehemently condemns.

In Asia and the Pacific, the right to self determination of small territories such as Micronesia, New Caledonia, etc. has yet to be implemented. In the face of the attempt to create two Korean states and of the continued presence of U.S. troops in South Korea, the Korean people still continue their struggle to achieve the peaceful and sovereign reunification of their country. Despite their tremendous achievements in reviving and developing their country, for the next period of years the Kampuchean people still exert effort in order to remove forever the danger of renewed genocide fostered by Beijing. The Democratic Republic of Afghanistan is still confronted by an undeclared war carried out by the agents of the forces of imperialism and of big-nation hegemonism.

As a people who have undergone thirty years of war against foreign aggression and who for several years have been the target of a multi-faceted war of sabotage on the part of their northern neighbour, Vietnam reserves its steadfast sympathy and vigorous support for the peoples of Asia, Africa, Latin America and Oceania in their struggle against imperialism and colonialism. Colonialism has been brought down. But the exploitation, oppression and domination of the peoples are growing even worse under various forms of neo-colonialism. The struggle of the developing countries on the economic front is a burning issue. Many economic resolutions adopted by the UN remain dead letter whilst the national economies of the developing countries, burdened with enormous difficulties and colossal foreign debts, continue to deteriorate. Such a situation only emphasizes further the imperative nature of the struggle for a new international economic order.

The Non-Aligned Movement evinces the determination and vitality of the peoples struggling against imperialism, colonialism, and other reactionary forces, and for peace, independence and development. The resolutions of the movement, especially those adopted at the 6th and 7th summits and at the recent conference of foreign ministers held in Luanda, meet the requirements of the situation and are in conformity with the charter of the UN. The socialist Republic of Vietnam reiterates its endorsement of these resolutions and believes that they will receive the approval and support of the UN.

At time when the international community is celebrating the 40th anniversary of the UN, the SRV commemorates its 40th founding anniversary. Due to the stonewalling by forces bent on turning back the clock, the first worker-peasant state in Southeast Asia had to wait 32 years before it could become a member of this organisation. During the past four decades, however, the Vietnamese people, at the cost of their blood, and acting in close solidarity with the international community and especially with the fraternal Lao and Kampuchean peoples, have foiled the utmost attempts of the forces of colonialism, imperialism and international reaction to realize their schemes. By dint of their struggle for peace, independence, national reunification and socialism, the Vietnamese people have powerfully contributed to building the high tide of anti-imperialist and anti-colonialist struggle throughout the world. For the past six years, by making constant efforts and setting forth constructive peace initiatives which conform to the interests of the parties involved, the three peoples of Indochina have significantly contributed to thwarting the policy of confrontation and tension pursued by imperialist and reactionary forces.

Consequently, a real possibility now exists to work out a framework for peaceful coexistence among states in South Asia [words indistinct] a Southeast Asia of peace, stability and cooperation. Should an early political solution be reached which would guarantee the security and sovereignty of all states and peoples on the region, including Kampuchea, the total withdrawal of the Vietnamese volunteer forces will be completed before the 1990 deadline unilaterally decided upon by the governments of Vietnam and Kampuchea. The government of the People's Republic of Kampuchea has declared its readiness to enter talks with groups or individuals in the opposition aimed at discussing the realization of national reconciliation based on the removal of Pol Pot and the organization of general elections after the total withdrawal of Vietnamese volunteer forces from Kampuchea.

The conditions for a political solution to the problems in Southeast Asia and in Kampuchea are steadily ripening. In this endeavour to build a peaceful and secure Southeast Asia, Vietnam's national interests and those of the international community coincide. Vietnam has done and will do its utmost to contribute to the success of this noble cause. At the same time, we welcome all joint efforts on the part of countries concerned as well as initiatives to this end wherever they may come from. We are pleased to note that the recent talks between Vietnam, representing the Indochinese countries and Indonesia, representing the ASEAN countries, have yielded positive results, notwithstanding certain differences. These talks have paved the way for the process of substantive dialogue on an equal footing, in a spirit of mutual respect and mutual concern for each other's legitimate interests, neither side imposing its views on the other and without interference from powers external to the region, with a view to reaching equitable solution to the question of Southeast Asia, we wish to thank friendly countries for their encouragement of a dialogue undertaken in this spirit.

At the same time we deplore the fact that a great power persists in impeding this process of dialogue even though this policy is proving to be bankrupt.

We most highly appreciate the positive contribution of the secretary general of the United Nations to the search for a political solution in the interest of peace, stability and cooperation in Southeast Asia. We are equally appreciative of the valuable and effective economic and technical assistance given by the United Nations and its specialized agencies to our national construction.

On the 40th anniversary of the UN, the Vietnamese delegation warmly salutes the contributions of this organization to peace and international security and to the independence, freedom and happiness of the world people. In the future, despite numerous difficulties and complexities, based on the strength of the achievements of the revolutionary movements and of the forces of peace, the UN will undoubtedly make an even more important contribution to the interests of the international community.

FOREIGN MINISTRY STATEMENT ON SOVIETS' ABDUCTION

BK060136 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Oct 85

["Recent" statement by SRV Foreign Ministry's spokesman]

[Text] The Muslim extremists in Lebanon recently forcibly abducted and held four Soviet diplomats hostage and made absurd demands on the Soviet Government. On 2 October, they murdered one of the hostages.

This was a blatant act of terrorism that has provoked strong indignation and condemnation among world opinion and that was part of the imperialist and reactionary forces' scheme aimed at opposing the Soviet Union, a country that has always supported the Arab nations' just struggle. The root cause of the very complex and tense situation in Lebanon at present is the policy of aggression pursued by Israel, supported and abetted by the United States. This new criminal act by the reactionary extremists in Lebanon has further aggravated the situation in the country and is not at all beneficial to the Arab people's struggle against imperialism and Israel's policy of aggression and expansion.

The SRV Government and people strongly condemn this serious criminal act of the extremist terrorists in Lebanon and fully support the 2 October 1985 statement by the Government of the Soviet Union, which demands the immediate and unconditional release of the Soviet citizens.

FOREIGN MINISTRY CONDEMNS ISRAELI RAID ON PLO

OW040919 HANOI VNA in English 0819 GMT 4 Oct 85

[Text] Hanoi VNA Oct. 3 -- The spokesman for the Vietnamese Foreign Ministry today issued a statement strongly condemning the Israeli authorities for their air raid on a suburban area of Tunis.

The statement reads in full as follows:

"On October 1, 1985, the Israeli authorities brazenly sent many aircraft to violate the air space of the Republic of Tunisia and bomb the PLO Headquarters outside Tunis, causing many property and human losses to the Tunisian and Palestinian peoples.

This is an aggressive and criminal act against the independence and territorial integrity of the Republic of Tunisia and against the patriotic Palestinian forces. It was a crude trampling on international law and an insolent challenge to the Arab and African countries and all other countries in the Non-Aligned Movement as well as to the peace and justice-loving forces all over the world.

With the connivance of the United States and other reactionary forces, the Tel-Aviv authorities have engaged more and more deeply in their aggressive and terrorist policy against the Palestine Liberation Organization, using threats and pressure in an attempt to prevent the Arab countries from supporting the Palestinian people's just struggle for their fundamental national rights.

The Vietnamese people and Government strongly condemn the Israeli authorities brazen act of aggression against the Republic of Tunisia and the PLO. They demand that Israel stop all its aggressive and expansionist acts in the Middle East and scrupulously respect the independence, sovereignty and territorial integrity of the Republic of Tunisia and other Arab countries, as well as the legitimate national rights of the Palestinian people.

The Vietnamese people and Government once again reaffirm their resolute support for the struggle of the Tunisian and other Arab peoples against Israel's Zionist aggressive expansionism as well as for the just struggle of the Palestinian people under the leadership of the PLO for their sacred national rights, for a genuine and lasting peace in the Middle East."

FORMAL PROTEST DELAYED; PAPER RECOUNTS ATTACK

HK060354 Manila METRO MANILA TIMES in English 3 Oct 85 pp 1, 5

[By Arnold Atadero]

[Text] Formal filing by the Philippine Government of a diplomatic protest arising from the alleged Malaysian assault of the Maddanas Island, Tawitawi could not be done yesterday because of the absence of an official PC [Philippine Constabulary] or police report on the incident. As of press time last night, neither Camp Aguinaldo nor Camp Crame had received an official PC or police report which could serve as a basis for a diplomatic protest.

So far, the only available information given to defense reporters about the incident involved the initial and progress reports submitted to the PC Operations Center (PCOC) at Camp Crame, Quezon City last Sunday and Monday. The initial reports identified four Malaysian gunboats with an aerial cover of three helicopter gunships and reconnaissance jet fighter planes as having raided the Maddanas Island inhabited mostly by fishermen and Muslims. Information has it that the "sea, air and land assault" on the island caused the death of 53 civilians. However, the Malaysian Defense Ministry stoutly denied the assault, asserting that it was the work of people with "vested interests."

A thorough probe of the incident was believed being conducted by PC-INP [Integrated National Police] authorities in Region 9 (Southern Mindanao) which has jurisdiction over Tawitawi, especially in the wake of the denial by the Malaysian government. As gleaned from the PC-INP region 9's reports to the PCOC, the raid staged by about 15 Filipino armed men (Malaysians called them pirates or marauders) on a bank in Sabah and or the Malaysian Air Lines System in front of the bank in the afternoon of September 23, triggered the assault on the Maddanas Island last September 26.

The dates of the pirates' raid on the bank and the assault on the small Tawitawi island were contained in the reports of Brig. Gen. Carlos Aguilar, PC-INP region chief, and Brig. Gen. Arturo Asuncion, commander of a Philippine Marines brigade in South Philippines. Asuncion was interviewed last Sunday by local newsmen along with certain PC-INP commanders of Tawitawi and local officials.

The PC report said Malaysian troops, supporting their local policemen, came to the rescue of bank and airline employees who were attacked by the Filipino intruders. The pirates traded shots with the pursuing troops and policemen, resulting in the killing of 11 Malaysian soldiers and six civilians. The slain civilians, four of them bank personnel, were caught in the crossfire near the bank and airline premises, it was reported. Outnumbered, the pirates, all reportedly armed with high-powered guns, withdrew towards their speedboat temper but were chased by the Malaysian troops. The pirates had hardly left the coastal town of Lahud Datu in Sabah, where the bank and the airlines office were located, when another firefight erupted. The Malaysian troops scored in this encounter, killing five pirates and apparently wounding several others. The slain pirates were left by their fleeing companions. They were probably thrown overboard, PC probers surmised.

Based on the initial PC report, the troops aboard two gunboats and reportedly backed by helicopter gunships and jet fighters, pursued the fleeing pirates into Philippine territory.

Since it was already dark, it was theorized that a wild chase took place between the pursuing troops and the pirates until another encounter erupted a few miles off the Maddanas Island. The PR report said the troops were able to sink the pirates' speedboat, but it was not clear whether there were survivors or not.

Another report claimed that the Malaysian soldiers launched "air and sea" assaults on the island which apparently led to the death of the estimated 53 civilians. This was reportedly followed by a land assault, capped by beach landings. But before the air, sea and land assaults were mounted, the troops allegedly met resistance from armed groups, presumably holed up in the island, for several hours. The PC report said 11 fishermen were caught in the crossfire, but it could not be confirmed whether or not the 11 were among the 53 fatalities reported by PC-INP region authorities.

Defense Minister Juan Ponce Enrile had earlier said a formal investigation was needed to determine the veracity of the reported attack. Earlier he had added that the investigation would determine whether or not the troopers had acted in good faith. The breakdown of the fatalities in the incidents starting from the bank robbery was 17 during the bank robbery in Sabah, five pirates during the initial sea battle, 10 fishermen caught in the crossfire and about 53 during the assault on the island last Sept. 26.

TIMES JOURNAL ON COMMENTS BY SOVIET OFFICIAL

HK060406 Manila TIMES JOURNAL in English 4 Oct 85 p 6

[Editorial: "The Roots Are Deep Within Here"]

[Text] The Statement of Third Secretary Vladimir A. Milovanov of the Soviet Embassy here that his government is by no means extending any kind of assistance to local communist rebels is most reassuring. Coming as it does in the wake of similar assurances from another communist power, China, the Soviet declaration can only add to heightened hopes that soon, the government will be able to solve the insurgency problem.

The new Soviet assurance is actually a reprise of an earlier one made in April 1983 by Deputy Soviet Foreign Minister Mikhail Kapitsa, the first high ranking Russian official to visit the Philippines since the establishment of relations between the two countries. At a dinner tendered in his honor at Malacanang, Kapitsa was unequivocal in saying that, contrary to American reports, the Philippines was not a target of Russian SS-20 medium-range missiles deployed in Soviet Asia. The month before, Adm. Robert Long, then commander-in-chief of U.S. Pacific Forces, had told a U.S. congressional committee that the Soviet Union had reinforced its nuclear missile force in Asia as part of a buildup to spread its political influence in the region and that one-third of all SS-20 ballistic missile sites of the Soviets are in Asia, all the missiles within the range of Japan, the Philippines and the rest of Southeast Asia.

The Brookings Institution of Washington, a private think tank, supported Long's statement. In a study, it said that Russian's Central and Eastern Rocket Armies have SS-20 missile regiments which can cover targets in Central Asia, including the Philippines, and can strike nuclear ammunition sites of American Air Force and naval bases in Guam, the Philippines and Hawaii. Both assurances, notwithstanding, however, there were two developments this year which, when ranged against the Russian statements, would tend to cast doubts on their sincerity. One was a report which came out in the TIMES JOURNAL last June 10 that a Filipino now living in a communist country -- we were told later this was the Soviet Union -- has been responsible for inciting local communists and their sympathizers to take up arms against the government.

The report said the urgings were made in letters some of which were intercepted by government agents. The sources which reported the story said the renegade apparently has influential connections in his host country, so much so that he has been given an official rank there.

Then, last July, a statement from Malacanang quoted President Marcos as saying that while China and the Soviet Union have disowned the communist rebels here, Russia was supporting a local trade union which is now under government surveillance on suspicion that it is a communist front. The President said some leaders of this union were trained in Moscow while others were trained in Vietnam, now a Soviet satellite, and North Korea.

Despite these developments, however, there should be no reason at this stage to doubt the sincerity of the Soviet assurances, as there should be no doubt about the genuineness of the friendship they are offering us. Yet, it would do well for us not to be complacent for there remains the dangerous likelihood that help could be extended to the rebels by other quarters which may want the present government destabilized.

Meanwhile, in the face of the Soviet and Chinese assurances, it becomes plain that the local communist movement has thrived not because of help from without but because of developments within. That the government itself has admitted such developments, albeit, in a lesser degree than what is being pictured abroad, is a good sign. It can only mean, or so we must hope, that the government is equally prepared to exert every effort to sterilize the fertile grounds that bred the communist insurgency.

44 NPA MEMBERS KILLED IN ZAMBOANGA, DAVAO

HK070554 Manila Far East Broadcasting Company in English 2300 GMT 6 Oct 85

[Text] At least 14 New People's Army members were killed in a running gunbattle between a group of rebels and government troopers in Barangay Dansulan, Polanco, Zamboanga del Norte Saturday morning. The Zamboanga-based Southern Command said the dead rebels were members of the group which ambushed and killed 21 soldiers in Polanco last Thursday. The gunbattle took place when pursuing troopers caught up with the fleeing rebels in Barangay Dansulan in Polanco Town. The government troopers recovered 12 firearms from the dead rebels.

In Davao Del Norte, a policeman and 30 NPA members, including 2 ranking commanders, were killed last Thursday in an ambush staged by soldiers in Sancab, Ticam, Caraga. Among those killed were Alexander Navarro, alias Commander Saulo, head of the main regional guerrilla unit of the NPA's Front 13 in Davao and Contabato Provinces, and Pablo Estande, alias Commander Ramil, commander of NPA units in Districts 2, 3 and 4 of Front 15.

The reports said the dissidents were on board a pickup and a motorcycle when they were ambushed by soldiers who were positioned on both sides of the road. The troopers had been waiting for 1 whole day and night after receiving reports that heavily armed NPA men would pass in the area. During the ambush one was wounded on the government side, identified as Captain Peter Sumundong.

Army rangers uncovered a big cache of military hardware and rounded up 59 suspected members of the NPA during a week-long intensified military operation in Tagum, Davao del Norte. The seized items include 2 60-millimeter mortars, 5 landmines, 6 mortar shells, 11 assorted firearms, 11 blasting caps, 1,000 meters of electrical wire, assorted bullets, accessories for radios, and 1 red flag.

2 CLERGYMEN KILLED BY GUNMEN IN MINDANAO

HK040345 Manila Far East Broadcasting Company in English 2300 GMT 3 Oct 85

[Text] A Protestant pastor and a Roman Catholic priest were killed by gunmen in Davao City and Surigao del Sur this week. On October 2 Gospel Church Pastor Solomon Embroso was shot dead while aboard his motorcycle by two NPA sparrow unit members at Legazpi Street, Davao City. As the victim bled to death, eyewitnesses say his killers took his motorcycle and fled. Two days earlier police found Roman Catholic priest Elpidio Fernandez Jr bathed in his own blood in Sitio Mandatan, Santa Cruz, Bislig, Surigao del Sur. He was shot to death by three young men who then fled northward. Police said the victim was shot without any provocation.

VIOLENCE CHIEF CAUSE OF ADULT DEATHS IN DAVAO

HK040711 Hong Kong AFP in English 0650 GMT 3 Oct 85

[Excerpt] Davao, Philippines, Oct 4 (AFP) -- Government figures show that violence was the chief cause of adult deaths in this insurgency-torn southern city last year, and unofficial data indicate this year's total could exceed 1984's.

A joint report issued today by the city health office and the local civil registrar said 854 residents of the country's third largest city were killed in violent incidents in 1984, succumbing mostly to knife or bullet wounds. This year's official January-to-August data showed 599 residents died violently, while radio stations which tally deaths based on police and hospital records placed the figure at 706. Figures for deaths not caused by violence were not immediately available, but the officials said they were lower. Davao has about 700,000 residents.

SPECIAL REACTION FORCE CREATED IN CENTRAL LUZON

HK041227 Manila BULLETIN TODAY in English 3 Oct 85 p 10

[By Jerry Lacuarta]

[Text] San Fernando, Pampanga -- A special military battalion has been created in Central Luzon to beef up government forces campaigning against insurgents in the region. Known as special field reaction forces (SFRF), the new unit is composed of Constabulary soldiers and policemen who have undergone special military training against insurgency. It will be based in Camp Olivas.

Col. Lorenzo Rapanan, 3rd PC [Philippine Constabulary] regional commander, said SFRF members will augment or assist military troops at any given time and any place during military operations. He said the unit will be under direct supervision and control of the Regional Unified Command (RUC) headed by Brig. Gen. Jose P. Magno Jr. Rapanan said the SFRF will most likely operate in Aurora, Nueva Ecija, Pampanga, Tarlac, Zambales, and Bulacan in view of the recent formation of the Mt. Samat Task Force in Bataan. He explained that the Mt. Samat Task Force, led by Col. Lorenzo Mateo, was supposed to secure all government installations in Central Luzon but they decided that it would concentrate its operations in Bataan apparently because of the growing insurgency problem in that province.

The campaign against rebels in Central Luzon is also being boosted by the Air Force Special Action Forces composed of air specialists which provide air support to ground troops. Military sources said that the task force in Bataan is considered to be the most effective because it is composed of several battalions from the four major services in the Armed Forces.

4,000 MORE TEACHERS FACE CHARGES AFTER STRIKE

HK040719 Manila Far East Broadcasting Company in English 2300 GMT 3 Oct 85

[Text] The Education Ministry is filing administrative charges against 4,000 more teachers in Metro Manila for participating the recent teachers' strike. The teachers are being charged with negligence in the performance of duty and conduct prejudicial to the best interests of the service. Earlier the ministry suspended 47 teachers who were also charged administratively for leading the strike that disrupted classes in Manila, Pasay City, and Navotas. Of the 4,000 teachers facing charges, 2,000 are in Manila, 1,300 from Pasay City, and the rest are from Muntinlupa, Las Pinas, and Paranaque.

EXPORTS DECLINE 14.39 PERCENT IN JAN-AUG

HK060302 Manila BUSINESS DAY in English 4 Oct 85 p 2

[Text] The country's exports continued to nosedive in the first eight months of the year. Total exports dropped by 14.39 percent to \$3,068.5 million from \$3,584.3 million in the same period last year, data from the National Census and Statistics Office (NCSO) showed. In what may be a more alarming development, for the month of August exports plummeted by 29.73 percent, according to preliminary figures, to \$352 million compared to \$500.9 million in the same month in 1984. Only six commodity classifications out of a total of 28 under the NCSO posted improvements in August. The rest, including the country's major exports, posted sharp declines.

Traditionally, exports are more robust in the second half of the year compared to the first six months. However, the country's export performance in the first two months of the second half seems to indicate a continued downturn until year end. Electronics, the country's leading export products, declined by 20 percent during the period to \$648.8 million from the year ago level of \$810.6 million. Since the start of the year, electronics exports have failed to break the \$100-million level per month which they easily did in 1984.

Even more dismal was the performance of coconut products which as a group (including coconut oil, dessicated coconut and copra) dropped by 40 percent to \$287.2 million from the \$478.7 million posted from January to August last year. Both electronics and coconut oil, for example, now sells at only \$0.22 a pound in the U.S. from a peak of over \$0.60 in 1982.

Garments continued to perform relatively well but exports still dipped by 2 percent for the period to \$393.2 million from \$401.1 million in the same period last year. Exports of copper concentrates dropped substantially during the period to \$59.9 million from \$212.8 million. Copper prices in the world market remain soft. The prevailing quotation in the spot market is about \$0.55 a pound.

Sugar exports during the period went down by 8.38 percent to \$150.8 million from \$164.6 million. Sugar prices in the world market average about \$0.14 a pound.

With the very poor performance of exports this year, the government has already revised its projection from a 10 percent growth to a 15 percent decline for 1985. Experts interviewed by BUSINESS DAY however believe that the drop could even be more substantial considering that electronics, the country's No. 1 export, is not expected to recover until early next year.

VERITAS NOTES COINCIDENCE OF 'MARCOS' ACRONYM

HK050746 Quezon City VERITAS in English 6 Oct 85 p 16

[Text] Making the rounds of Manila's Betamax circuit is a tape entitled "Islands of Discontent." It is a documentary which is culled from five segments of a regular television program in the United States which gives an overview of the situation in the Philippines. The second segment, subtitled "Seeds of Revolt," is all about the economic dislocation in Negros Occidental. One portion of this segment showed what the government is doing to alleviate the suffering in the distressed provinces. VERITAS Photo Editor Noli I. Yamsuan took a photograph of that portion which shows an old woman being treated in a government-run clinic. What intrigued Yamsuan was the fact that the medicine bottles used had the name "MARCOS" printed on them. Department of Health sources, when contacted by VERITAS explained rather sheepishly that "MARCOS" was the acronym for "Medical Assistance to Rural Communities and Other Sectors." Very, very neat. But are the people of Negros supposed to believe that Mr Marcos paid for the medicines?

COLUMNIST ON 'COLLAPSE' OF NEGROS SUGAR INDUSTRY

HK040927 Manila BUSINESS DAY in English 3 Oct 85 p 5

["Here and Now" column by Francisco Tatad: "A Role for Negros"]

[Text] The collapse of the sugar industry has had its harsh effects, and its good ones too. It has impoverished both worker and planter, removing virtually all class differences between them. The worker's wretched condition has become almost unspeakable, the planter is now the new poor.

All this began before the international market collapsed. The industry, one Negrense points out, owes it to authoritarian and crony rule. The establishment of the sugar trading monopoly decimated the old politico-economic class in which once resided independent political and economic power. When the market collapsed, it found the planters unable to absorb their losses and help their displaced workers at the same time.

This made the workers hungrier, and the planters angrier. It is noteworthy that in a country where some 30 million people no longer eat on a regular basis, the "hunger children of Negros" have had to be singled out as deserving of special attention and care.

Msgr. Antonio Fortich, the tireless bishop of Bacolod, has become the most active campaigner for food for Negros's hungry and malnourished children, and the worldwide response has been most impressive. But the feeding program is at best a palliative. More lasting solutions have to be found. Except for one or two who believe the solution lies in finding "the right" presidential crony to run the industry (Cojuangco instead of Benedicto), the prevailing view seems to be that "radical solutions" are needed to turn the island's economy around. These are not armed revolutionaries but afflicted planters talking, and by "radical" they do not mean the revolutionary prescription of class struggle. They mean something else.

"Radical" is from the Latin radix, meaning "root," and these visionaries (some will say, Quixotes) believe the problem can be attacked at its "root" without adopting class warfare or allowing the state to take over the means of production. They would rather address the question of social responsibility of private property in a concrete way, according to the principle of human solidarity.

The central idea involves giving up a portion of one's land to the worker, without the mediation of the State. It is land reform on a voluntary basis. There are at least two groups engaged in this. One is PLOW, which stands for Partnership in Land Ownership with Workers; the other is the Negros Economic Development Foundation (NEDF). Both groups anchor their programs on the dignity of the worker as a human person who should not be treated as a mere commodity or implement.

PLOW has an educational program called Binhi [seed], whose precise thrust is to bring about a greater awareness among workers and planters alike of the value of the human person, over and above material things. The hacendero [estate owner] must see that the worker is not inferior to him in dignity, and the worker must see that he does not have less responsibility than the planter. As this value develops, it becomes easier for the hacendero to give up a portion of his property to the worker, and it becomes easier for the worker to abandon the idea of being tied to a "master" all his life.

NEDF for its part believes that the present Negros crisis has been caused by failure to increase productivity, failure to diversify Negros, and failure to develop the Negrenses. It seeks to address all three problems, first by changing the lost of the worker, by persuading the hacendero to give each family head working on his land a 500 square meter food lot where he could grow fruit trees, vegetables and rootcrops all year round, while one diversifies into cattle, poultry and swine, and other ventures. "The program will not be easy to sell to some," said one of its prime movers, "but we believe in it, and have taken the first step. There is no turning back."

Will the crisis not work against it?

On the contrary, it should help, said one of the pillars of PLOW. The crisis has exacted a heavy price on everyone except the cronies, he explained, but "it is perhaps what we need."

Sugar as a crop has produced a distinct culture, he said, which has not worked well to bring Negrenses together. As the planter waits for the crop to grow, he finds himself with so much time in his hands. In good times, he spent it traveling around the world, or indulging his expensive taste. And because everyone was making good money, you could not get the planters to work on a common project, or even to play in the same pelota club. Everyone simply put up his own pelota court, and played alone or with one's family, instead of interacting with others.

"The crisis has taught us that in the end we need each other, that we have to care for each other." This is what Negros has learned, and this is what the nation can learn from here. The role of Negros now is to teach the nation what adversity has taught the Negreness.

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